for the creation of a national civil academy; also memorializing the President and the Congress to enact Senate bill 1952 and thus protect the unclassified postal employees, extending to them civil-service status; also urging the enactment of House bill 4688, which proposes aid in the rehabilitation of employable blind persons in the United States; to the Committee on Labor.

8719. Also, resolution of the Senate and the Assembly of California, memorializing the President and the Congress to investigate and enact legislation toward the employment of jobless citizens of the United States by Government control and development of chromium and tin deposits of the United States; to the Committee on Ways and Means.

8720. By Mr. RANDOLPH: Petition of the Shirt Workers Union, Amalgamated Clothing Workers of America, Morgantown, W. Va.; to the Committee on Ways and Means.

8721. By Mr. TRUAX: Petition of Dover Lodge, 168, Amalgamated Association of Iron, Steel, and Tin Workers, Dover, Ohio, by their secretary, Ernest W. Bishop, urging that progressive legislation for the protection of labor and fair employers by controlling maximum hours and minimum wages that will hold until a permanent program can be worked out will be enacted; to the Committee on Labor.

8722. Also, petition of International Union of Operating Engineers, Akron, Ohio, by their secretary, N. F. King, urging support of the Wagner-Connery labor-disputes bill; to the Committee on Labor.

8723. Also, petition of Charles A. Bowers and other citizens of Toledo, Ohio, urging support of the Townsend-McGroarty pension bill when it comes up for vote; to the Committee on Ways and Means.

8724. Also, petition signed by 118 members of Cement Workers' Union, No. 18457, White Cottage, Ohio, by their president, K. N. McCoy, urging support of the Wagner-Connery labor relations bill and the Black-Connery 30-hour-week bill, also passage of social-security program; to the Committee on Labor.

8725. Also, petition of International Association of Bridge, Structural, and Ornamental Iron Workers, Dayton, Ohio, by their secretary, Woodford Riley, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8726. By the SPEAKER: Petition of the Grand Lodge, Brotherhood of Railroad Trainmen, Cleveland, Ohio; to the Committee on Rivers and Harbors.

8727. Also, petition of the Maine State Petroleum Committee, Portland, Maine; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 5, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 4, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Donahey	Johnson
Ashurst	Byrd	Duffy	Keyes
Austin	Capper	Fletcher	King
Bachman	Caraway	Frazier	La Follette
Bailey	Carey	George	Lewis
Bankhead	Chavez	Gerry	Logan
Barbour	Clark	Gibson	Lonergan
Barkley	Connally	Glass	McAdoo
Black	Coolidge	Guffey	McCarran
Bone	Copeland	Hale	McGill
Borah	Costigan	Harrison	McKellar
Brown	Couzens	Hastings	McNary
Bulkley	Dickinson	Hatch	Maloney
Bulow	Dieterich	Hayden	Metcalf
Minton	Overton	Sheppard	Tydings
Moore	Pittman	Shipstead	Vandenberg
Murphy	Pope	Smith	Van Nuys
Murray	Radcliffe	Steiwer	Wagner
Neely	Reynolds	Thomas, Okla.	Walsh
Norbeck	Robinson	Thomas, Utah	Wheeler
Norris	Russell	Townsend	White
Nye	Schall	Trammell	
O'Mahoney	Schwellenbach	Truman	

Mr. LEWIS. I announce that the Senator from Mississippi [Mr. BILBO], the Senator from South Carolina [Mr. BYRNES], the Senator from Oklahoma [Mr. GORE], and the Senator from Louisiana [Mr. LONG] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent from the Senate because of illness.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

POLITICAL REACTION FROM N. R. A. DECISION—NOTICE OF SPEECH BY SENATOR LEWIS

Mr. LEWIS. Mr. President, I beg to give notice that on Friday, June 7, as early as convenient in the program of the Senate, I shall address the Senate on the political reactions addressed to the President in consequence of the decision of the United States Supreme Court in what is called the "N. R. A. case."

SENATOR FROM NEW MEXICO—CONTEST

Mr. GEORGE. From the Committee on Privileges and Elections I submit a report and ask that it be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

(Rept. No. 793)

The Committee on Privileges and Elections, to which was referred the election contest of *Dennis Chavez* v. *Bronson M. Cutting* for a seat in the United States Senate from the State of New Mexico, hereby dismisses the said contest upon the request of the petitioner and the respondent (by his attorneys, who have filed an answer with certain exhibits). In thus dismissing the contest, the committee deems it proper to say that no evidence has been adduced, and there is nothing in the record which, in any way, reflects, either directly or indirectly, upon the honor or integrity of the late Senator Bronson M. Cutting.

The committee recommends the discharge of all subpenas served upon certain State and county officials of the State of New Mexico in said contest and that said officials be relieved from further response thereto.

Mr. GEORGE. I move the adoption of the report.

Mr. McNARY. Mr. President, I think the report presented by the Senator from Georgia from the Committee on Privileges and Elections is timely, being, as it is, a complete exculpation of the charges against the late Senator Cutting. I desire to make an inquiry. Does the report meet with the approval of the Republican members of the committee, and is it the unanimous report of the committee?

Mr. GEORGE. It is the unanimous report of the committee. The report was adopted by the full committee, and represents the sentiment of all the members of the committee.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

WILLAMETTE NATIONAL FOREST, OREG.

The VICE PRESIDENT laid before the Senate the amendment of the House to the bill (S. 462) to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest, in the State of Oregon, which was, on page 2, after line 9, to insert:

SEC. 2. Any lands within the above-described area which are part of the land grant to the Oregon & California Railroad Co., title to which revested in the United States under act of June 9, 1916 (39 Stat. 218), shall remain subject to all laws relating to said revested land grant.

Mr. McNARY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 38. An act for the relief of Winifred Meagher;

S. 279. An act to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations;

S. 285. An act to reimburse the estate of Mary Agnes Roden;

S. 535. An act for the relief of William Cornwell and others;

S. 557. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 558. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department;

S. 742. An act for the relief of Charles A. Lewis;

S. 905. An act for the relief of Edith N. Lindquist;

S. 931. An act for the relief of the Concrete Engineering Co.;

S. 1027. An act for the relief of Dr. R. N. Harwood;

S. 1038. An act authorizing adjustment of the claim of Elda Geer;

S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska;

S. 1487. An act for the relief of Mick C. Cooper;

S. 2146. An act for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park; and

S. 2467. An act for the retirement of William J. Stannard, leader of the United States Army Band.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 42. An act for the relief of Emmett C. Noxon;

S. 209. An act for the relief of Carmine Sforza;

S. 416. An act for the relief of Las Vegas Hospital Association, Las Vegas, Nev.; and

S. 581. An act for the relief of Harold E. Seavey.

The message further announced that the House had passed the following bills and joint resolution of the Senate severally with amendments, in which it requested the concurrence of the Senate:

S. 41. An act for the relief of the Germania Catering Co., Inc.;

S. 1121. An act for the relief of Isidor Greenspan;

S. 1474. An act for the relief of Paul H. Creswell; and

S. J. Res. 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation Commission.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 350. An act for the relief of Florenz Gutierrez;

H. R. 616. An act for the relief of Homer J. Williamson;

H. R. 949. An act for the relief of Irvin Pendleton;

H. R. 1292. An act for the relief of Grace McClure;

H. R. 1541. An act for the relief of Evelyn Jotter;

H. R. 1880. An act for the relief of Ivan H. McCormack;

H. R. 2086. An act for the relief of Walter C. Holmes;

H. R. 2293. An act for the relief of William Kelley;

H. R. 3107. An act for the relief of William Louis Pitthan;

H. R. 3109. An act for the relief of Herman W. Bensel;

H. R. 3230. An act for the relief of Rufus Hunter Blackwell, Jr.;

H. R. 3573. An act for the relief of Jens H. Larsen;

H. R. 3826. An act for the relief of John Evans;

H. R. 4428. An act for the relief of Caroline (Stever) Dykstra;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 4651. An act for the relief of the Noble County (Ohio) Agricultural Society;

H. R. 4820. An act for the relief of Lawrence S. Copeland;

H. R. 4822. An act for the relief of Thomas F. Olsen;

H. R. 4824. An act for the relief of Capt. George W. Steele, Jr., United States Navy;

H. R. 4827. An act for the relief of Don C. Fees;

H. R. 4828. An act for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes;

H. R. 4853. An act for the relief of Charles H. Holtzman, former collector of customs, Baltimore, Md.; George D. Hubbard, former collector of customs, Seattle, Wash.; and William L. Thibadeau, former customs agent; and

H. R. 5041. An act authorizing and directing the Secretary of the Treasury to reimburse Lela C. Brady and Ira P. Brady for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 448. An act to authorize a preliminary examination of the Coquille River and its tributaries in the State of Oregon with a view to the control of its floods;

S. 449. An act to authorize a preliminary examination of Umpqua River and its tributaries in the State of Oregon, with a view to the control of its floods;

S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands;

S. 1212. An act to amend section 1383 of the Revised Statutes of the United States;

S. 1317. An act authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods;

S. 1469. An act to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona;

S. 1513. An act to add certain lands to the Siskiyou National Forest in the State of Oregon;

S. 1539. An act relating to undelivered parcels of the first class;

S. 1712. An act to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries;

S. 1942. An act to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927;

S. 2241. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484);

S. 2505. An act authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods;

S. 2530. An act to protect American and Philippine labor and to preserve an essential industry, and for other purposes;

S. 2899. An act to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress; and

S. J. Res. 130. Joint resolution making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian reservation roads.

REPORT OF COMMISSION OF FINE ARTS

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the Library, as follows:

To the Congress of the United States:

I transmit herewith for the information of the Congress the report of the Commission of Fine Arts of their activities during the period July 1, 1929, to December 31, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 5, 1935.*

(NOTE.—Report accompanied similar message to the House of Representatives.)

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from Levi Stevens Lewis, of Denver, Colo., with an accompanying paper in the nature of a petition, praying for the enactment of legislation authorizing the President to take over all steam railways and to carry both freight and passengers entirely free of charge, etc., which, with the accompanying paper, was referred to the Committee on Interstate Commerce.

He also laid before the Senate the petition of Rev. J. J. Williams, of Tchula, Miss., praying for the enactment of old-age-pension legislation, which was ordered to lie on the table.

He also laid before the Senate a resolution signed by the general chairman of five standard railway labor organizations of the Texas & Pacific Railway, Dallas, Tex., favoring the enactment of pending legislation to extend the effective period of the Emergency Railway Transportation Act, which was ordered to lie on the table.

He also laid before the Senate a petition of sundry citizens, being members of the New Deal Reporters' Club, of Astoria, Oreg., praying for the enactment of the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, which was ordered to lie on the table.

Mr. WALSH presented a petition, numerously signed, of sundry citizens of Leominster and vicinity, in the State of Massachusetts, praying for the enactment of the so-called "Nye-Sweeney banking bill", which was referred to the Committee on Banking and Currency.

He also presented the petition of members of Local Union No. 1917, United Textile Workers of America, of Franklin, Mass., praying for the continuance of the operation of section 7–A of the National Industrial Recovery Act, which was referred to the Committee on Finance.

USE OF GRANITE IN PUBLIC-BUILDING CONSTRUCTION

Mr. WALSH. Mr. President, I present and ask to have printed in full in the RECORD and appropriately referred resolutions adopted by the General Court of Massachusetts memorializing Congress relative to the use of granite in the construction of public buildings.

There being no objection, the resolutions were referred to the Committee on Public Buildings and Grounds and ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress relative to the use of granite in the construction of public buildings

Whereas the Federal Government is contemplating an extensive public-works program under which many public buildings will be erected throughout the United States; and

Whereas the present status of unemployment in the granite industries in the Commonwealth of Massachusetts and other granite-producing States is deplorable, it being estimated that from 80 to 85 percent of granite employees are on Federal relief; and

Whereas the greater portion of the cost of finished granite is incurred by labor; and

Whereas the quality and durability of granite buildings unquestionably excels that of buildings constructed of inferior materials; and

Whereas from the standpoint of economy and prudent policy it is advisable that lasting and durable materials be used in the construction of public buildings: Therefore be it

Resolved, That the General Court of Massachusetts urges Congress to enact legislation, or to otherwise take appropriate action, to require that granite be used in the construction of public buildings to be erected under the public-works program; and be it further

Resolved, That the secretary of the Commonwealth forthwith send copies of these resolutions to the President of the United States, to the Vice President, and to the Secretary of the Treasury thereof, and to the Members of Congress from this Commonwealth.

TARIFF ON WATCH MOVEMENTS

Mr. WALSH. Mr. President, I also present and ask to have printed in full in the RECORD and appropriately referred resolutions adopted by the General Court of Massachusetts, memorializing the President and Congress in behalf of the watch industry and the persons employed therein.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolutions memorializing the President and Congress of the United States in behalf of the watch industry and the persons employed therein

Whereas it is the often declared policy of the present administration of the Government of the United States to maintain or increase the standard of wages paid to American labor and to increase employment of American labor and reduce unemployment; and

Whereas in pursuance of that policy and pursuant to the National Industrial Recovery Act, the watch industry of the United States has recently increased wages approximately 20 percent during a period when wages in the competing watch industry in Switzerland have been decreased from 20 to 40 percent; and

Whereas the watch industry pays approximately 80 percent of its costs of production to labor, produces an article necessary in many industries and to the Military and Naval Establishments of the United States in time of war, and is a domestic industry necessary to the public welfare; and

Whereas by reason of the low wages paid to Swiss labor as compared with American labor, and the present low tariff on watch movements, which represents less than 75 percent of the difference in cost of production between the United States and Switzerland, importations of Swiss watch movements increased from 1933 to 1934, 110 percent, and further huge increases have already taken place in 1935, so that upward of 50 percent of the needs of our domestic market for watch movements was in 1934 supplied by Swiss movements which paid duty, to say nothing of a large number smuggled, and now much less than one-half of our domestic market is available to be supplied watch movements made by American labor; and

Whereas the watch industry of the United States has factories and machinery ample to supply the entire domestic market for an indefinite period and at one time gave employment to approximately 11,000 skilled workmen, but because of Swiss competition fostered by the present low tariff on watch movements has been compelled to lay off during the depression approximately 5,000 skilled workmen; and

Whereas the American watch industry is now threatened with a great reduction in the already inadequate tariff on watch movements through a reciprocal trade agreement between the United States and Switzerland now under consideration by the Department of State of the United States; and

Whereas the inevitable result of such a reduction in the tariff on watch movements would be the liquidation of the American watch industry or the transfer of its capital to the business of importing of watch movements from Switzerland, in either case preventing the restoration to employment of the 5,000 skilled workers already laid off and throwing out of employment nearly all the remaining 6,000 skilled workers in the industry, to be supported by the public at a time when the public ability to provide for the unemployed is already strained to the utmost, all without any possible advantages to the United States which could to any appreciable extent compensate for this destruction of a great American industry and consequent continued and increased unemployment; and

Whereas a large part of the watch industry of the United States is centered in Waltham, Mass., so that its loss would seriously injure all business in a populous part of this Commonwealth surrounding and including Waltham and would impose a severe strain on the finances of several political subdivisions of this Commonwealth, especially the city of Waltham, and the Commonwealth of Massachusetts therefore has a great and particular interest in the preservation to the United States of America of its watch industry: Therefore be it

Resolved, That the President of the United States, the Secretary of State, and all other officers of the United States in any way concerned in the proposed or pending negotiations with Switzerland are respectfully and earnestly urged to refrain from committing the United States to any agreement to reduce the tariff on watch movements; and be it further

Resolved, That the Congress of the United States is hereby respectfully and earnestly urged to increase the tariff on watch movements; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the Secretary of State of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from Massachusetts.

REPORTS OF COMMITTEES

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 2780) to repeal the limitation on the sale price of the Federal building at Main and Ervay Streets, Dallas, Tex., reported it without amendment and submitted a report (No. 787) thereon.

He also, from the same committee, to which was referred the bill (S. 2626) to authorize the sale of Federal buildings, reported it with amendments and submitted a report (No. 788) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 7160) to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges, reported it with amendments and submitted a report (No. 789) thereon.

Mr. JOHNSON, from the Committee on Naval Affairs, to which was referred the bill (S. 2774) for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War, reported it with an amendment and submitted a report (No. 790) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which were referred the following bills, reported them each with amendment and submitted reports thereon:

S. 2846. A bill authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired (Rept. No. 791); and

H. R. 5564. A bill for the relief of Capt. Russell Willson, United States Navy (Rept. No. 792).

Mr. McCARRAN, from the Committee on the Judiciary, submitted a report (No. 794) to accompany the bill (S. 2689) for the relief of the city of New York, heretofore reported by him from that committee without amendment.

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (S. 2761) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, reported it with an amendment and submitted a report (No. 795) thereon.

Mr. SCHWELLENBACH (for himself and Mr. SHIPSTEAD), from the Committee on Immigration, to which was referred the bill (H. R. 67) to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels, reported it without amendment and submitted a report (No. 796) thereon.

Mr. CAPPER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2664) to aid in defraying the expenses of the third triennial meeting of the Associated Country Women of the World, to be held in this country in June 1936, reported it with an amendment and submitted a report (No. 797) thereon.

Mr. DICKINSON, from the Committee on Military Affairs, to which was referred the bill (S. 1613) for the relief of Andrew J. McCallen, reported it without amendment and submitted a report (No. 798) thereon.

He also, from the same committee, to which was referred the bill (H. R. 2566) for the relief of Percy C. Wright, reported it with an amendment and submitted a report (No. 799) thereon.

MEETING OF 4-H CLUBS IN WASHINGTON

Mr. SMITH. From the Committee on Agriculture and Forestry I report back favorably without amendment the joint resolution (S. J. Res. 143) authorizing the Secretary of Agriculture to pay necessary expenses of assemblage of the 4-H clubs, and for other purposes.

Mr. President, in February last a resolution was passed by the House forbidding the Government contributing to the expenses of certain groups assembling in Washington, and under the ruling of the Comptroller General the 4-H clubs that have been assembling here each year are now prevented from coming.

I have been informed at the Department that they never have paid the railroad expenses or the board of the boys, members of these clubs, who come to Washington, but they have provided tents and cots for the 4-H clubs of the country, to enable them to assemble here once a year. The cost to the Government has been less than $4,000 a year, and, as it is a part of the Extension Service, it is very important, if we are to have them assemble here within the next few days, that the joint resolution should be passed. I ask unanimous consent for the immediate consideration and passage of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. McNARY. Mr. President, I have conferred with the chairman of the committee, and I have no objection to the passage of the joint resolution.

There being no objection, the joint resolution (S. J. Res. 143) authorizing the Secretary of Agriculture to pay necessary expenses of assemblage of the 4-H clubs, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That nothing contained in the act of February 2, 1935 (Pub. Res. No. 2, 74th Cong.), shall be construed to prohibit the Secretary of Agriculture from paying the necessary expenses for assemblages of the 4-H boys' and girls' clubs, called by the Secretary of Agriculture in the District of Columbia or elsewhere, in the furtherance of the cooperative extension work of the Department.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER:

A bill (S. 2995) for the relief of Eugene Stortz; to the Committee on Finance.

By Mr. COPELAND:

A bill (S. 2996) for the relief of the Eberhart Steel Products Co., Inc.; to the Committee on Claims.

A bill (S. 2997) to incorporate the National Society, Daughters of the Union, 1861–1865, Inc.; to the Committee on the Judiciary.

By Mr. POPE, Mr. NYE, Mr. BONE, Mr. GEORGE, and Mr. CLARK:

A bill (S. 2998) to control the trade in arms, ammunition, and implements of war; to the Committee on Foreign Relations.

By Mr. McNARY:

A bill (S. 2999) to establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce; to the Committee on Agriculture and Forestry.

(Mr. WALSH introduced Senate bill 3000, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. MURRAY:

A bill (S. 3001) for the relief of Walter F. Brittan; to the Committee on Claims.

By Mr. FRAZIER:

A bill (S. 3002) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. STEIWER:

A bill (S. 3003) authorizing a preliminary examination and survey of the Coos River and its tributaries, Oregon; to the Committee on Commerce.

By Mr. GUFFEY:

A bill (S. 3004) to amend section 602½ of the Revenue Act of 1934; to the Committee on Finance.

By Mr. CONNALLY:

A bill (S. 3005) authorizing the appointment of Louis Hunter Gwinn as a lieutenant, United States Navy; to the Committee on Naval Affairs.

By Mr. PITTMAN, Mr. NORBECK, Mr. CLARK, Mr. BAILEY, Mr. McNARY, Mr. BYRD, and Mr. WHITE:

A bill (S. 3006) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes; to the Special Committee on Conservation of Wildlife Resources.

Mr. NYE. Mr. President, I ask consent to introduce a bill, in which the Senator from Utah [Mr. KING] is joining with me, amending the Federal Trade Commission Act.

The VICE PRESIDENT. The bill will be received and appropriately referred.

By Mr. NYE and Mr. KING:

A bill (S. 3007) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; to the Committee on Interstate Commerce.

AMENDMENT OF SILVER PURCHASE ACT OF 1934

Mr. WALSH. Mr. President, I ask consent to introduce a bill to amend the Silver Purchase Act of 1934. I ask also that the bill, together with my statement relative thereto, may be printed in the RECORD.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred, and the bill and statement will be printed in full in the RECORD.

The bill (S. 3000) to amend the Silver Purchase Act of 1934 was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

A bill to amend the Silver Purchase Act of 1934

Be it enacted, etc., The Silver Purchase Act of 1934 is hereby amended as follows:

"SEC. 4. Whenever and so long as the market price of silver exceeds its monetary value or the monetary value of the stocks of silver is greater than 25 percent of the monetary value of the stocks of gold and silver, the Secretary of the Treasury may, with the approval of the President and subject to the provisions of section 5, sell any silver acquired under the authority of this act, at home or abroad, for present or future delivery, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest: *Provided, however,* That certain limitations of the power of the Secretary of the Treasury to sell silver acquired under the authority of this act, as are herein established, shall not apply to the disposal of silver specifically earmarked for commercial purposes as authorized by the provisions of section 5.

"SEC. 5 (a). The Secretary of the Treasury is authorized and directed to set aside and earmark for commercial use in the arts and industries including use by refiners and processors, an annual allotment from the Treasury's accumulated stocks of silver from whatever source derived. The annual allotment so earmarked shall be in a total sum of 5 ounces equivalent to the total consumption by all such commercial users, and in no event shall the total amount of such silver earmarked for commercial uses exceed 40,000,000 fine ounces in the first year of the operation of this act. As long as it shall be the policy of the United States to secure or maintain, in silver, the one-fourth or any other specified percentage of the monetary value of its stock of silver and gold, the Secretary of the Treasury is further authorized and directed to sell such earmarked silver to such users of commercial silver as he shall duly license, at a price of 60 cents per fine ounce or if silver is officially priced at $1 or more an ounce, then the price of earmarked silver to such users shall be 40 cents per fine ounce less than the official Government price. The Secretary of the Treasury is hereby authorized to issue, with the approval of the President, such rules and regulations as the Secretary may deem necessary or proper to carry out the purpose of this section, and to establish all necessary safeguards to prevent the diversion of any earmarked silver, whether in raw or fabricated form, to any channel other than that for which it has been earmarked, including a provision that no silver article shall be sold at a wholesale price per ounce fine silver less than the Government official price.

"(b) With respect to all other stock of silver, the Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3, and such certificates shall be placed in actual circulation. There shall be maintained in the Treasury as security for all silver certificates heretofore or hereafter issued and at the time outstanding an amount of silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates. All silver certificates heretofore or hereafter issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and shall be redeemable on demand at the Treasury of the United States in standard silver dollars; and the Secretary of the Treasury is authorized to coin standard silver dollars for such redemption."

The statement presented by Mr. WALSH is as follows:

EXPLANATION OF SENATE BILL NO. 3000

At the time of the discussion of the Silver Purchase Act, throughout the debate all emphasis was laid on the monetary features of the measure. The influence of the administration of that act upon our own financial structure, upon the destinies of China, upon the accumulated hoards of silver in India, were all thoroughly debated pro and con. There was, however, no single reference made to the effect of the act upon the craft of American silversmiths, on the 15,000 workers to which that craft gives employment, nor upon the several hundred thousand employees in jewelry stores throughout the country, 20,000 of which are dependent today upon the sale of silverware as the one department destined to lead them safely through the depression. It was an oversight.

There are differences of opinion as to the effectiveness with which the Silver Purchase Act is accomplishing the broad general aims and purposes for which it was enacted. Be that as it may, it is not my present purpose to weigh in the balance the positive provisions of the act or to seek at this time to appraise their effectiveness. Rather, it is the purpose of this bill to eliminate the unintended inequities—and I say "unintended" advisedly—the unintended inequities which the administration of that act is bringing down upon the silversmiths' craft and upon several hundred thousands of our people who are directly or indirectly dependent upon that craft for their livelihood. In my opinion, if the Congress had before it at the time of considering this legislation a realization of the harmful effect it would have upon those engaged in the commercial fabrication of silverware articles, then Congress would have set up appropriate provisions in the act for the purpose of avoiding the inequities to which I refer. I am supremely confident in this assertion, for most assuredly with unemployment so wide-spread and so prevalent as it is today, it is inconceivable that we should take any action which must result in adding, by ever so little, to that number.

What are those inequities brought down upon the silversmiths' craft by the operation of the Silver Purchase Act? The answer is most simple and can be given in a single sentence. The answer is that any further increase in the price of silver bullion must mean the virtual extinction of the sterling silverware industry, the loss of thousands of jobs by the workmen in that craft, the literal ruination of thousands of small jewelry stores throughout the country, and the consequent adding to our relief rolls the names of thousands of clerks now gainfully employed in these same jewelry stores. When, as in this present instance, we have literally thousands upon thousands of jobs dangerously threatened, when we know that the particular workers are principally men gifted with a unique skill, and that consequently the idle silversmith cannot readily be absorbed by other industries, we then, indeed, must pause and ask what steps are possible to avoid these inequities, to avoid adding to our unemployment hordes, to avoid adding to our general and all too plentiful supply of human misery.

The Department of Commerce, Economic Paper 14, published in 1932, presents interesting figures showing the total consumption of silver by arts and industry over a period of years, and has this to say on the subject:

"For many years the consumption of silver in the arts and industries of the United States has been an important factor in the world flow of silver. The silversmiths furnished the principal part of this demand in former years, but more recently the importance of other users has greatly increased. Nevertheless, the sterling silverware industry continues to be the leading ultimate consumer of silver."

All of the arts and industries combined consume in the neighborhood of 30,000,000 fine ounces of silver each year; that figure is exclusive of scrap or old material. The silverware industry in both its sterling and plated-ware branches accounts for the use of fully 50 percent of all the silver used in the arts and industries. No industry, I say, can be willing to see the interests of its best customer adversely affected; and even though in comparison with the huge world stocks of silver actually on hand here and abroad, the actual consumption by arts and industries is relatively small, if we can take any steps to avoid the serious threat to the biggest silver customer we have (particularly if those steps can be taken consistent with such broad basic policies as we may set for ourselves in monetary matters) most assuredly those steps should be taken and should be taken promptly.

What is this threat to the market of silversmiths of which I speak? It is simply this—that the process of artificially raising the price of silver bullion in order to carry out principles of the monetary policy laid down by Congress is resulting in an advance in the cost of fabricated silverware, so thoroughly dispropor-

tionate to the general run of commodity prices, that with consumer-purchasing power at its present levels the buying of silverware will be relatively prohibitive.

For generations perhaps the dominant characteristic of the silver market has been its marked stability. Exclusive of the 4 years 1917 to 1920, inclusive, since 1894 the price of silver has hovered within a narrow range around the price of 60 cents per ounce. At that price level household articles of silver, and particularly tableware, such as knives, forks, and spoons, have been established as the accepted thing—were within the possession of most families. In other words, at a price of approximately 60 cents per ounce, this semiluxury is really in the practical and almost necessity class. If the price of silver continues to advance as radically as it has in recent weeks, there can be no smallest doubt in the world but that the market for sterling silverware must be very materially curtailed, and skilled workers by the thousands, who are dependent directly and indirectly upon that industry for their livelihood, must be thrown out of gainful employment.

The bill I have introduced would distinguish between monetary silver and commercial silver. It gives discretionary power to the Secretary to establish a price for silver which would save the silver manufacturing industry and at the same time would not interfere with any Government monetary policy. The fact that the finished product represents a large labor cost would preclude silver being melted down for speculative gain.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 350. An act for the relief of Florenz Gutierrez;

H. R. 616. An act for the relief of Homer J. Williamson;

H. R. 949. An act for the relief of Irvin Pendleton;

H. R. 1292. An act for the relief of Grace McClure;

H. R. 1541. An act for the relief of Evelyn Jotter;

H. R. 2086. An act for the relief of Walter C. Holmes;

H. R. 3107. An act for the relief of William Louis Pitthan;

H. R. 3230. An act for the relief of Rufus Hunter Blackwell, Jr.;

H. R. 3573. An act for the relief of Jens H. Larsen;

H. R. 3826. An act for the relief of John Evans;

H. R. 4428. An act for the relief of Caroline (Stever) Dykstra;

H. R. 4567. An act for the relief of Robert E. Callen;

H. R. 4651. An act for the relief of the Noble County (Ohio) Agricultural Society;

H. R. 4820. An act for the relief of Lawrence S. Copeland;

H. R. 4822. An act for the relief of Thomas F. Olsen;

H. R. 4824. An act for the relief of Capt. George W. Steele, Jr., United States Navy;

H. R. 4827. An act for the relief of Don C. Fees;

H. R. 4828. An act for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes;

H. R. 4853. An act for the relief of Charles H. Holtzman, former collector of customs, Baltimore, Md.; George D. Hubbard, former collector of customs, Seattle, Wash.; and William L. Thibadeau, former customs agent; and

H. R. 5041. An act authorizing and directing the Secretary of the Treasury to reimburse Lela C. Brady and Ira P. Brady for the losses sustained by them by reason of the negligence of an employee of the Civilian Conservation Corps; to the Committee on Claims.

H. R. 1880. An act for the relief of Ivan H. McCormack; to the Committee on Public Lands and Surveys.

H. R. 2293. An act for the relief of William Kelley; and

H. R. 3109. An act for the relief of Herman W. Bensel; to the Committee on Military Affairs.

DEVELOPMENT OF THE MERCHANT MARINE—AMENDMENT

Mr. VANDENBERG submitted an amendment intended to be proposed by him to the bill (S. 2582) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, which was ordered to lie on the table and to be printed.

PRESERVATION OF OLD DOCUMENTS IN SENATE LIBRARY

Mr. ROBINSON submitted the following resolution (S. Res. 149), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate is authorized to expend from the contingent fund of the Senate such sums as may be necessary, not to exceed $1,500, for the purpose of adequately providing for the preservation of old documents on file in the Senate Library.

CLASSIFICATION AND PAYMENT OF SENATE PAGES

Mr. REYNOLDS submitted the following resolution (S. Res. 150), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That it shall be the duty of the Sergeant at Arms to classify the pages of the Senate so that at the close of the present and each succeeding Congress one-third the number shall be removed; and in no case shall a page be appointed younger than 12 years, or remain in office after the age of 18 years, or for a longer time than three Congresses, or 6 years; and

Resolved further, That the pages of the Senate shall be paid, from the contingent fund of the Senate, a salary of $4 per day during the adjourned periods of the Congress.

INDEFINITE POSTPONEMENT OF A BILL

Mr. COOLIDGE. Mr. President, I ask unanimous consent that the Committee on Immigration be discharged from the further consideration of Senate bill 2970, to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, and that the bill be postponed indefinitely. The legislation proposed by this bill is contained in a similar bill, being Senate bill 2969.

The VICE PRESIDENT. Without objection, Senate bill 2970 will be indefinitely postponed.

COMMODORE JOHN BARRY—ADDRESS BY CHARLES FRANCIS ADAMS

Mr. WALSH. Mr. President, today is the one hundred and fiftieth anniversary of the dismemberment of the forces of the Continental Navy when Commodore John Barry ceased his duties as a captain thereof. Afterward, on June 3, 1798, when the Navy Department of the United States was organized, John Barry became the first captain and commanding officer. I ask unanimous consent to insert in the RECORD an address delivered by Hon. Charles Francis Adams, former Secretary of the Navy, on March 17, 1932, before a meeting of the Friendly Sons of St. Patrick of the city of Washington, memorializing the heroic deeds of Commodore John Barry.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasure to be a guest of the Friendly Sons of St. Patrick. This pleasure becomes all the greater when one reflects that the gatherings of this society on the feast day of Ireland's patron saint have been observed every year since the late colonial period of our history. The parent body of this society, I am told, was organized during the time that the political principles and purposes on which our National Government rests were taking form in the minds of the patriots who called into existence the Federal Union of Free and Sovereign States under which we live and to which we owe our allegiance. The principles and the motives of the men who fought to secure independence and who labored to frame our Constitution are embodied in the purposes and aims of this society. It is nonsectarian and nonpolitical, and in these annual reunions it aims at keeping before the minds of its members and their guests the fundamental political doctrines which are as essential to the continued existence of our Government as they were to its rise and progress. The men who guided the destinies of this Nation during the heroic era of the Revolution and during the critical days of the Constitutional Convention were gifted in an extraordinary degree with political wisdom and political vision. They not only vindicated the right of the American people to independence, but they consecrated the Nation they had established to the cause of human liberty. Judged by the history and the traditions of other peoples the project of building a Nation consecrated to such a cause would inevitably have failed were it not that the sublime vision and wisdom of the fathers of the Republic were matched with patriotism and courage equally sublime.

The men who organized the Society of the Friendly Sons of St. Patrick did so in the same spirit and with the same purposes that animated the fathers of the Republic, the spirit to repudiate the institutions of oppression from which they or their forefathers had fled, and the purpose to establish free government for themselves and their children. To have had any part in the founding of this Republic is a great honor. To belong to a Society established by leaders in the Revolution and of which George Washington was an adopted member is a great and unusual distinction. To know that George Washington was, on three occasions, the guest of the Society, that he wore its badge with pride, and that he expressed himself in unmistakable terms, regarding the character and record of the Society, should be a precious memory and a source of profound gratification to all the members of the Society. Writing to the president of the Society in Philadelphia in 1781, Washington said: "I accept with singular pleasure the ensign of so worthy a fraternity as that of the Sons of St. Patrick, a society distinguished for the firm adherence of its members to the glorious cause in which we are embarked."

Words of praise from such a source and in such circumstances may be considered the equivalent of that accolade by which in feudal days a sovereign raised to the dignity of knighthood those who had merited distinction through fidelity, bravery, and patriotism.

When George Washington thus expressed his praise and approval of the Friendly Sons of St. Patrick the War of Independence was drawing to a close. Yorktown had surrendered and the end of the struggle was in sight. From long experience Washington was in a position to state definitely and finally what men and what classes of men were to be commended for their adherence to the cause of nationhood and independence. His verdict on the Friendly Sons of St. Patrick is not open to question or to doubt.

Among the duties confronting the American colonists when they determined to take up arms in defense of their rights was the task of organizing an Army and a Navy. Armies may be improvised by putting weapons into the hands of outraged citizens, but navies do not grow up overnight. When the ports of a country are held by the ships of an enemy the construction of a navy may be looked upon as an impossibility. In the first skirmishes by land and by sea the patriots were victorious. The Battle of Lexington was followed by the Battle of Machias Bay, the Lexington of the seas as it has been called, and in these two conflicts the foundations were laid for an army as well as for a navy. The Machias Bay incident was caused by the fact that the British desired to get timber from Maine for the defenses of Boston and from the additional fact that a lumberman, named Jeremiah O'Brien, was determined that they should not. When the armed schooner *Margaretta* appeared in the harbor of Machias, O'Brien and his brothers, and other volunteers to the number of 60, set out to meet the invader in a lumber sloop. A hand-to-hand encounter followed, and O'Brien and his followers were victorious. This was the first sea fight of the war, not very important as sea fights go, but tremendously significant as showing what patriotism was capable of doing by sea as well as on land. O'Brien's achievement was all the more remarkable because his sloop carried no guns. His capture of the *Margaretta* enabled him to fit out other vessels with cannon, and when an expedition, consisting of several small ships, was sent to punish him, he was victorious a second time, and conveyed the conquered ships and their crew to Newburyport. He continued his activities on the sea for about 18 months, and though he was captured he managed to escape and to take his place again in the fighting forces of the Colonies. While O'Brien may deserve the credit for having gained the first naval victory in the war, the significance of his services was not so much that he was successful as that he gave a magnificent demonstration by sea of the temper of the men who at Lexington and elsewhere proved that the soil of America was destined to be the cradle and the home of human liberty.

The course taken by Captain O'Brien was followed by others. There is no time now to recount the deeds of the heroes of the Continental Navy, but speaking on the occasion of the annual banquet of the Friendly Sons of St. Patrick, it seems eminently appropriate to call attention to the career of a man who, in his time, was a member of this venerable society, Commodore John Barry. Like so many who have won fame and honor in the armed forces of the United States, John Barry was born in another country. He was a native of Ireland. From his early years he had followed the sea. When the War of the Revolution began he was master of the ship *Black Prince*, and, naturally, his services were offered immediately and unconditionally to the land of his adoption. On the day—October 14, 1775—that the Continental Congress decided to equip some vessels for service against the British, John Barry was just home from a voyage. His offer of service was promptly accepted, and he was placed in command of the *Lexington*, named in honor of the first battle of the Revolution and the first warship equipped by Congress. His instructions were to protect American shipping and to destroy the ships of the enemy. These instructions he carried out without cessation while hostilities continued, not only in the *Lexington* but in other ships, the *Effington*, the *Raleigh*, and, above all, in the *Alliance*, the most powerful warship in the American Navy. Even when the ships of the Navy were forced to inactivity because the British were in possession of the forts along the Delaware and in occupation in Philadelphia, Barry was not idle. He conceived and put into execution the plan of employing small boats to intercept the supply ships which were conveying the necessary military stores and supplies to the British in the occupied area, and he carried out his scheme with such losses to the enemy and with such advantage to the patriot Army as to merit a public expression of thanks from Washington.

On several occasions he was entrusted with the delicate and dangerous task of conveying the French and American envoys across the Atlantic, but, before and after these voyages and in between he fought the ships of the enemy wherever he found them. Barry commanded the first ship commissioned by the Continental Congress and he was in command at the last naval battle of the Revolution, that with the British ship, the *Sybille*, on March 10, 1783.

It would be out of the question to attempt to narrate even in summary all of Barry's services during the War of the Revolution. He was an expert seaman, a strict disciplinarian who enjoyed the loyalty and affection of his subordinates, a commander who won the praise of friends and enemies for his resourcefulness and audacity in battle and above all for his skill in handling ships.

Barry's services to the Navy did not end with the Revolution. Whenever and wherever the flag of any nation is carried by any ship, even in the peaceful pursuits of commerce, that flag must be protected. This truth was brought home to the people of the United States, in no uncertain fashion, early in their national history. In 1794 Congress was compelled to pass an act, the purpose of which is best expressed in words taken from the act itself. "The depredations of the Algerine corsairs on the commerce of the United States render it necessary that a naval force should be provided for its protection." Because the Revolutionary navy had been disbanded at the end of the war, the long and laborious process of building a navy had to be gone through again, and the act of Congress, which was intended merely to meet an emergency, became the means by which the foundations of our present Navy were laid. Three months after the act was signed by Washington, six captains were appointed to superintend the building of the frigates which were authorized by Congress, and to take command of them when ready for service. The commissions were issued in the order in which the captains were to rank. John Barry's name headed the list and the first commission in the new Navy was given to him, and he was designated to superintend the construction and to take command of the frigate *United States*.

When Barry received this commission, the Navy was still under the control of the War Department. There was no Navy Department. He was one of the first to realize and to call attention to the incongruity of this situation. In a letter to James Imlay, January 8, 1798, he earnestly pleaded for the establishment of such a department, because, as he was frank enough to say, the Navy had been but indifferently managed hitherto. He also anticipated subsequent developments by proposing that three navy yards should be provided and equipped with magazines and stores and all else necessary to keep the fleet in a condition of efficiency and preparedness. Whether Barry's influence was a determining factor in bringing about this desirable change in naval administration cannot be determined, but on April 30, 1798, an act of Congress, signed by President Adams, went into effect and a new department, known as the "Navy Department" was added to the machinery of Government. It is not without interest to call attention to the fact that the first entry in the records of the new department, under date of June 3, 1798, runs as follows: "Delivered to Captain Barry, his authority to capture French armed vessels under the act of March 28, 1798." The Act of Congress under which Barry received these orders was made necessary by the depredations on American commerce committed by privateers sailing under the authority of the French Republic. Conflict with their allies of Revolutionary times was distasteful to the President and the Congress, but national honor was at stake, and it was unavoidable. In obedience to the instructions of President Adams, Barry cruised along the American coast and in the West Indies for nearly 2 years clearing the seas of the marauders and privateers and capturing many of them. His active service on this assignment was interrupted when peace negotiations commenced, and he was ordered to convey the American envoys to France. On his return he was made commander in chief of the fleet in the West Indies, and there he served until the peace treaty was signed.

Barry had thus served during the Revolution and under the first two Presidents with honor to himself and with glory and profit to his country. The retrenchment program of Jefferson and the antipathy of his party to the naval policy of his predecessors led to a complete change in the attitude of the new administration on the subject of the Navy. Appropriations for the upkeep and the increase of the Navy were reduced, a peace policy was adopted and it was decided that the vessels in active service should be limited to 13. The reduction in the number of ships was followed by a corresponding reduction in the number of officers, and, though Barry was oldest in point of service his name was kept on the list. The good purpose of the Jeffersonian administration did not produce a correspondingly good effect on the Algerine pirates. It became necessary once more to put the Navy on a war foundation. The Navy did what was expected of it, and with the brilliant expedition of Decatur the payment of tribute for the privilege of flying the American flag ceased forever. Barry took no active part in this expedition. He was kept at home engaged in examining candidates for commissions and in testing guns, but before the war was ended the Secretary of the Navy wrote him saying it was the intention of the Department to keep a force in the Mediterranean and that his services would be required for that post. Eager as Barry was to respond to every call of duty, this order, the only one in the line of service he ever failed to obey, he was unable to carry out. His long years of active duty and his unremitting devotion to the work of the Navy had undermined his health. He could no longer hope to bear the burdens of commanding a fleet and a year after the order was issued he passed away.

The name of John Barry stands high on the roll of American officers and sailors. During his long career in the service of his adopted country the reputation of the American Navy was always safe in his hands. He never had any doubts or hesitation as to where his duty lay, and where duty led him he never counted the risk or flinched from the danger. He enjoyed the singular honor of receiving the first commission granted to an officer in the United States Navy, and he transmitted to the many distinguished men who came after him a high sense of the honor and responsibility which such a commission carries with it. The Friendly Sons of St. Patrick do well to honor the memory of such a man, and they do well to keep alive the sterling and unselfish spirit of devotion to the cause of American liberty and American institutions which sustained Barry and the founders of the Republic during the dark days of the Revolution. It was because of this unselfish

spirit of devotion to a great cause that the fathers of the Republic and the framers of the Constitution were able to rear this magnificent political structure under which we live, and which it is our duty to sustain and to hand on vital and unimpaired to the generations to come.

It was because Barry and the soldiers and sailors of the Revolution had unbounded faith in the sanctity of the cause to which they dedicated their lives that this Republic was called into being, and it was because those who succeeded them had equal devotion and equal faith, that this Republic now lives. At every moment in its existence the permanence of the Republic has been threatened by enemies from without, or by divided counsels from within, but as long as there are among us those who cherish the memory of the men who set up our institutions of Government, and seek to emulate the lives and purposes of those who sustained these institutions, the Republic will never fail. The Friendly Sons of St. Patrick have a noble tradition, their roster of membership throughout their many years of activity contains the names of many who have deserved well of the Republic. Let it be our hope tonight that those who are now on its list may transmit to future generations a record of service and devotion as fruitful as that of Washington, of O'Brien, and of Barry.

N. R. A. DECISION OF THE SUPREME COURT—EDITORIAL BY WILLIAM E. CHILTON

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an intensely interesting editorial written by the Honorable William E. Chilton, an illustrious former Member of this body, which appeared in the Charleston Gazette on Monday, June 3, 1935, under the title "Has Charles II Returned?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Charleston (W. Va.) Gazette of June 3, 1935]

HAS CHARLES II RETURNED?

The President is quoted as having said, regarding the recent decision of the Supreme Court nullifying practically the N. R. A. legislation, that "the decision is much more important than any decision in my lifetime." That is a broad statement, but it was made by a broad-minded man, accustomed to reflection. It is probably true.

However, about all that the Court has decided is that Congress cannot delegate its own powers to an executive department, and that the Court can decide what is interstate commerce and the Congress may not undertake to do so. The decision is radical in that it amazes the public that nine men, sitting as a supreme court, are willing to stop the wheels of recovery when it is perfectly apparent that the people of every State in the Union want the machinery of government to go ahead, albeit that there are, confessedly, amendments and changes which have been found necessary in this as in all of man's work since the beginning of civilization.

The Supreme Court decision stands now not as a corrective but as a deadly blow to recovery legislation, voted by heavy majorities in both Houses of Congress, composed of over 500 selected Senators and Representatives from the 48 States of the Union.

It is not becoming to criticize any court decision, and this paper is as free from that fault as any journal of the country can claim. But neither we nor the people of this country can, if they would, smother the activity of the human brain; and we pause to wonder at the intellectual harvest which will appear when Congresses, courts, and Presidents must look in perspective at the first 150 years of the country's existence, and weigh in the scale of human reasoning and justice the present spectacle.

Recently we got some inquiries, setting forth in various forms but none the less specific of purpose, the query: "Where does the Constitution of the United States authorize the Supreme Court of nine members to set aside the acts of Congress, composed of 96 Senators and 435 Representatives, all sworn, as the Court is, to support the Constitution of the United States?" The average man does not observe the processes of making laws and, therefore, it is not surprising that such inquiries are made.

The lawyer comprehends that about 100 years ago there was a great old Virginia lawyer who was Chief Justice of the United States Supreme Court (those were the "days of the horse and buggy", referred to by the President); that was shortly after the first test of a railroad between Ellicott City and Baltimore, the official report of which test was that the train had made 8 miles an hour and hope was held out to the investors that, with some improvements, the management felt reasonably certain that the train could make 10 or 11 miles an hour.

Some changes which caused litigation were sought to be made in the management of Dartmouth College, in New Hampshire, one of whose students had been a great lawyer—Daniel Webster. Naturally, Webster was retained in the case, when the college management decided that it would resist an effort to take a course which would deprive the college of some of its dignities and rights. Much has been written about whether or not Webster raised the point or John Marshall suggested it, etc. However, Webster did argue the point that the legislative action sought to be taken would deprive that college of something—call it rights or property—and that the charter was a contract and, therefore, the proposed action would violate the obligation of that contract.

There was then, as now, nothing in the Constitution specifically authorizing the Supreme Court to nullify any law of a State or any act of Congress. But this great old lawyer, John Marshall, reasoned that in the Supreme Court was vested by the Constitution all the Nation's judicial power; and he held that it followed that since the Supreme Court must interpret the laws it must first decide what are the laws. From this he deduced, with masterful reasoning, the doctrine that acts of Congress—and then there followed in other cases by the same reasoning acts of State legislatures which, in the Court's opinion, were contrary to the Constitution—could be held invalid by the Supreme Court. There is where the doctrine started, and it has been ever since the sword of Damocles held by that group of people who are called conservatives or reactionaries over the progressive thought of the country. The processes and experiences have been serious, and, we might say, humorous.

After the Civil War the Supreme Court held, in 1869, that the paper money issued by Abraham Lincoln was illegal, and its issue was not justified by the terms of the Constitution. At that time Grant was President. He called his men of brains together and said to them, in substance, "Now, the Supreme Court has played hell with the Republican Party and the country." He had around him some of the great minds of the world, such as Conkling, of New York; Chase, of Ohio; Oliver P. Morton, of Indiana. They said to him, as many men who are prominent in American life say now, that that ended the question, and it was beyond the power of Congress or the President to force the Supreme Court to change its opinion. Grant said to them that here they were in power after the great War between the States, and the Republican Party would be responsible for issuing fraudulent, worthless money with which the war was carried on and the soldiers were paid.

He warned them that there would be no use for the Republicans to nominate a ticket the next time, and suggested that changes be made in the Supreme Court, which was then composed of seven members. He reminded the great minds of the country that not only would that situation destroy the Republican Party but would bring on a panic, the like of which the world never saw. The big men moved rapidly and increased the membership of the Court from 7 to 9, and President Grant appointed 2 new members, and had the question again submitted to the Court; then that decision was reversed by a vote of 5 to 4, the 4 constituting the majority of 7 stood pat, the 3 increased to 5 by the 2 new members, and that decision of 5 to 4 has stood from 1870, when it was rendered.

It thus happened that when the reactionaries brought up the question again, during this year of 1935, the Supreme Court decision, announced by Chief Justice Hughes, was merely a reaffirmation of the doctrine rendered by the Court in 1870, that the power of the Congress regarding money was absolute and supreme.

Again, a great test came during the second Cleveland administration, when William L. Wilson, of Charles Town, in this State was Chairman of the Ways and Means Committee of the House of Representatives; the revenue bill passed in 1894 carried an income-tax provision. This law was attacked by practically all of the wealth of the Nation, and after a full argument the Court, by 5 to 4, decided that the law was constitutional. Immediately a rehearing was asked and granted, and there was brought to Washington a battery of lawyers, headed by the great Joseph Choate, of New York. The case was reargued, and one of the Supreme Justices, to wit, Justice Shiras, changed his mind, and the decision was 5 to 4 that the law was unconstitutional. Thereupon, the progressive thought of the country compelled Congress to submit an amendment to the Constitution, and it was very promptly ratified by the States, and ever since, the sixteenth amendment, authorizing the taxation of incomes, from whatever source derived, has been the supreme law of the land.

These are two prominent and well identified, and now generally known, instances of great events involving momentous problems which were swung one way or the other by the opinion, in one case, of two men, and, in the other case, of one man. These are historic, but not unique instances of the dangers of judge-made law.

* * * * * * *

While we are on the subject, we would like to ask where it is written in the Constitution that Congress has the right to appropriate money to relieve hunger, to clothe destitute people, to prevent children from dying of cold and neglect? This use of public money is justified on the same page of the Constitution, where there is defined the "war power" which may be classed among such myths as the 12 labors of Hercules; and yet Congresses, Presidents, and courts have dealt with it, because they knew and understood, in the final analysis, that the power of this country is lodged with the people, and their will can be expressed and will be the prevailing law of the land.

There is no provision in the Constitution, authorizing the sending of the Armies of the United States into distant China to put down a Boxer Rebellion, but we did it. There is no provision in the Constitution, authorizing Congress to return the indemnity paid by China to this country, but Congress did it under the power and authority that made the flag and causes it to wave. There is no provision in the Constitution authorizing Congress to feed the hungry, dying people of Asia, when floods, earthquakes, and tornadoes left them helpless and beyond their own resources to relieve, yet America did it, and no court dares to lay its hand upon the spirit that sent American money upon such a Christ-like errand.

And now face it—courts, Congresses, and Presidents—as they must, the same rule that destroyed, for the time being, the

N. R. A. can nullify every appropriation made to prevent actual starvation and freezing of the helpless American people, prostrated by this long depression.

President Roosevelt stands today as one of the grandest characters that history has ever produced. He has bowed, with respect, to courts, and made his appeal to Congress and to the public to recognize that we have been passing through unusual, extraordinary conditions. He has not spent any money, nor issued any order, nor made any organization of what they call the "alphabet list", except as directed and authorized to do so by the acts of Congress of the United States—the 531 selected Representatives of the people of the States, in Congress assembled.

Most of the banks and largely the chambers of commerce have hounded him with all kinds of suggestions. Many of those in sympathy with him have made demands upon him and the Congress at the most unfortunate of times. When recovery now seems coming strong, when the success of his plans are being demonstrated upon all hands, labor, small business, agriculture, and the transportation systems, all come forward with plans that would have perplexed the deliberations of the reincarnated best minds of the ages; he has never flinched. He faced his duty at every turn calmly and unselfishly. He has appealed to the people to discard politics, the bitterness of partisan strife, the prejudices that have grown amid the rivalries of business, and asked them to dedicate themselves, unselfishly, to the one proposition of recovering the prosperity of the country.

No one is bold enough to say that success has not crowned his efforts. He has not complained of these unusual, inopportune demands upon the Congress and his administration. He now finds that a Supreme Court decision has reversed that common understanding and faith of the people which will control, in the end, regardless of 5 to 4, 6 to 3, or unanimous decisions of the Supreme Court. Our great President will neither suggest nor demand anything less than respect for law and order. We, therefore, suggest, with the modesty which our position demands, that a motion be made to rehear these N. R. A. cases; that the humane, sensible Court will grant the rehearing. Let the matter stand on that rehearing, so that the best and the most patriotic thought of the country can look into that conscience mirror that reflects ourselves to ourselves, thus allow the leader of the people—not of any party—to assemble the best judgment of the Nation and avoid a dangerous pause at a time when all the nations of earth are in trouble, and we are but one of many trying to direct the energies of this people to the common proposition of getting something for everybody to do, providing homes for the people and restoring the Nation's income.

We can guess upon everything, but they who base anything upon the cowardice of Franklin D. Roosevelt, will "reckon without their host." Charles II, after Cromwell, came back to his London throne—dug up the bodies of Cromwell and other prominent parliamentists, hanged them, and exhibited their heads upon pikes and gate posts. But his brother who succeeded him was kicked from the throne, and the right and power of the English Parliament to govern Great Britain was firmly fixed. One battle is not a war. Now is the time for patriots to think and pray as did Washington and Lincoln. The demand for a new deal has lost none of its earnestness.

The tories must not be permitted to win the war. We must not surrender the ground already gained.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. HASTINGS. Mr. President, yesterday I endeavored to show that the pending bill is not confined to holding companies engaged in interstate commerce. I sought to point out to the Senate that the limitations upon the use of the mails and other facilities used in interstate commerce to holding companies were not, in fact, for the purpose of controlling interstate commerce itself, but were for the purpose of giving to the Congress jurisdiction over holding companies, regardless of the influence such companies might have upon interstate commerce.

As bearing upon that subject I desire to read from the opinions of the Court in two additional cases and ask Senators who are sustaining the bill to see if they can distinguish between these cases and the points raised in the present bill. I call attention first to the case of Federal Club against National League, reported in Two Hundred and Twenty-ninth United States Reports, at page 200. I read from that decision at page 208, as follows:

The decision of the court of appeals went to the root of the case and if correct makes it unnecessary to consider other serious difficulties in the way of the plaintiff's recovery. A summary statement of the nature of the business involved will be enough to present the point. The clubs composing the leagues are in different cities and for the most part in different States. The end of the elaborate organizations and suborganizations that are described in the pleadings and evidence is that these clubs shall play against one another in public exhibitions for money, one or the other club crossing the State line in order to make the meeting possible. When as a result of these contests one club has won the pennant of its league and another club has won the pennant of the other league, there is a final competition for the world's championship between these two. Of course the scheme requires constantly repeated traveling on the part of the clubs, which is provided for, controlled and disciplined by the organizations, and this it is said means commerce among the States. But we are of the opinion that the court of appeals was right.

The business is giving exhibitions of baseball, which are purely State affairs. It is true that, in order to attain for these exhibitions the great popularity that they have achieved, competitions must be arranged between clubs from different cities and States. But the fact that in order to give the exhibitions the leagues must induce free persons to cross State lines and must arrange and pay for their doing so is not enough to change the character of the business. According to the distinction insisted upon in *Hooper* v. *California* (155 U. S. 648, 655) the transport is a mere incident, not the essential thing. That to which it is incident, the exhibition, although made for money would not be called trade or commerce in the commonly accepted use of those words. As it is put by the defendants, personal effort, not related to production, is not a subject of commerce.

That which in its consummation is not commerce does not become commerce among the States because the transportation that we have mentioned takes place. To repeat the illustrations given by the court below, a firm of lawyers sending out a member to argue a case, or the Chautauqua lecture bureau sending out lecturers, does not engage in such commerce because the lawyer or lecturer goes to another State.

If we are right the plaintiff's business is to be described in the same way and the restrictions by contract that prevented the plaintiff from getting players to break their bargains and the other conduct charged against the defendants were not an interference with commerce among the States.

But I think a case that is more in point is to be found in Two Hundred and Thirty-first United States Reports, at page 501, New York Life Insurance Co. against Deer Lodge County. I might say that in this case was involved a life-insurance company which had been taxed under a State law. The life-insurance company insisted that it was engaged in interstate commerce and the test of the constitutionality of the tax imposed was whether or not it was engaged in interstate commerce. I quote from page 502, where the Court said:

The same contention is made here as in the State court, that is, that the tax is a burden on interstate commerce, and an elaborate argument is presented to distinguish this case from those in which this court has decided that insurance is not commerce.

Reference is made to the case of Paul against Virginia, and the statement made that that is the progenitor case.

A law of Virginia precluded any insurance company not incorporated under the laws of the State doing business in the State without previously obtaining a license for that purpose, which could only be obtained by a deposit with the State treasury of bonds of a specified character to an amount varying from $30,000 to $50,000. A subsequent law required the agent of a foreign insurance company to take out a license. Paul was appointed the agent of several fire-insurance companies incorporated in the State of New York. He applied for a license, offering to comply with all the provisions of the law excepting the deposit of bonds. The license was refused and he, notwithstanding undertook to act as agent for the companies, offered to issue policies in their behalf and in one instance did issue a policy in their name to a citizen of Virginia.

For this violation of the statute he was indicted and convicted in one of the State courts, and the judgment was affirmed by the supreme court of appeals of the State. Error was prosecuted from this court based on, as one of its grounds, the alleged violation of the commerce clause of the Constitution of the United States.

Replying to the argument to sustain the contention, the court said, by Mr. Justice Field, that its defect lay in the character of the business done. "Issuing a policy of insurance is not a transaction of commerce. The policies are simply contracts of indemnity against loss by fire entered into between the corporations and the assured for a consideration paid by the latter. These contracts are not articles of commerce in any proper meaning of the word. They are not subjects of trade and barter offered in the market as something having an existence and value independent of the parties to them. They are not commodities to be shipped or forwarded from one State to another, and then put up for sale. They are like other personal contracts between parties which are completed by their signature and the transfer of the consideration. Such contracts are not interstate transactions, though the parties may be domiciled in different States. The policies do not take effect—are not executed contracts—until delivery by the agent in Virginia. They are, then, local transactions, and are governed by the local law. They do not constitute a part of the commerce between the States any more than a contract for the purchase and sale of goods in Virginia by a citizen of New York whilst in Virginia would constitute a portion of such commerce."

Then follows the citation of many cases, for the reason that the life-insurance company was at that time trying to distinguish that case from decisions which had been rendered previously by the Supreme Court.

The Court, at page 506, says:

And that was the contention in *Hooper* v. *California*, asserting the invalidity of the statute of the State making it a misdemeanor for any person in that State to procure insurance for a resident in the State from an insurance company not incorporated under its laws. The argument was that inasmuch as the contract involved was one for marine insurance, it was a matter of interstate commerce, and as such beyond the reach of State authority and included among the exceptions to the rule. It was replied by the court: "This proposition involves an erroneous conception of what constitutes interstate commerce. That the business of insurance does not generically appertain to such commerce has been settled since the case of *Paul* v. *Virginia*."

This, according to my recollection, was some 45 years later.

To the attempt to distinguish between policies of marine insurance and policies of fire insurance, and thus take the former out of the rule of *Paul* v. *Virginia*, it was answered:

"It ignores the real distinction upon which the general rule and its exceptions are based, and which consists in the difference between interstate commerce or an instrumentality thereof on the one side and the mere incidents which may attend the carrying on of such commerce on the other."

The Court, toward the end of the opinion, has this to say with respect to the subject:

To accomplish the purpose there is necessarily a great and frequent use of the mails.

I call particular attention to this language, in view of the terms of the pending bill:

To accomplish the purpose there is necessarily a great and frequent use of the mails, and this is elaborately dwelt on by the insurance company in its pleading and argument, it being contended that this and the transmission of premiums and the amounts of the policies constitute a "current of commerce among the States." This use of the mails is necessary, it may be, to the centralization of the control and supervision of the details of the business; it is not essential to its character. And we may say, in passing, that such effort has led to regulating legislation, but that it cannot determine its validity, was decided in the Cravens case. This legislation is in effect attacked by the contention of the insurance company. We have already pointed out that if insurance is commerce and becomes interstate commerce whenever it is between citizens of different States, then all control over it is taken from the States and the legislative regulations which this Court has heretofore sustained must be declared invalid.

The number of transactions do not give the business any other character than magnitude. If it did, the department store which deals with every article which covers or adorns the human body, or, it may be, nourishes it, would have one character, while its neighbor, humble in the variety and extent of its stock, would have another. Nor, again, does the use of the mails determine anything. Certainly not that which takes place before and after the transaction between the plaintiff and its agents in secret or in regulation of their relations. But put agents to one side and suppose the insurance company and the applicant negotiating or consummating a contract. That they may live in different States, and hence use the mails for their communications, does not give character to what they do; cannot make a personal contract the transportation of commodities from one State to another, to paraphrase *Paul* v. *Virginia*.

Such might be incidents of a sale of real estate (certainly nothing can be more immobile). Its transfer may be negotiated through the mails and completed by the transmission of the consideration and the instrument of transfer also through the mails.

It is contended that the policies are subject to sale and transfer, may be used for collateral security and other commercial purposes. This may be, but this use of them is after their creation, a use by the insured, not by the insurer. The quality that is thus ascribed to them may be ascribed to any instrument evidencing a valuable right. The argument was anticipated in *Paul* v. *Virginia*, citing *Nathan* v. *Louisiana*, where, as we have seen, a tax on money and exchange brokers who dealt in the purchase and sale of foreign bills of exchange was sustained as not conflicting with the constitutional power of Congress to regulate commerce among the States or with foreign nations.

Mr. President, in order that we may know the position taken by those who are interested in this proposed legislation, and who appeared before the committee, and who furnished a brief which has been put in the RECORD by the distinguished Senator from Montana, let me call attention to the brief filed by Messrs. Corcoran and Cohen, beginning at the bottom of page 815; and I desire to call particular attention to the comments made upon the case from which I have just read. Before doing so, however, I may say that that case was decided in December 1913.

In the brief filed with the committee, at the bottom of page 815 of the hearings, will be found this statement:

Typical of the State cases generally cited against the validity of congressional action under the commerce clause are those holding that insurance contracts even where they involve communication between the States, may validly be subjected to State regulation or taxation.

Citing Paul against Virginia and New York Life Insurance Co. against Deer Lodge Co., the latter of which I have just read.

Continuing to read from the brief:

Professor Dowling in his memorandum to the Senate committee considering the Fletcher-Rayburn bill pointed out that *Paul* v. *Virginia* was the product of a period in which uncertainty about the effect of the commerce clause on State powers and the widespread distrust of foreign corporations combined to produce an extreme insistence on limiting the concept of interstate commerce (Stock Exchange Practices, hearings, pt. 16, p. 7640). Although conditions changed radically, early establishment and frequent reiteration made the rule that insurance is not interstate commerce a constitutional fixture. The consequence that, since there was no Federal legislation on the subject, the highly important insurance business would have been totally unregulated, was so serious that it may well have played an important part in inducing adherence to this rule in more recent years. Like all decisions upholding State power, these decisions furnish slight authority for the denial of Federal power over the subject of insurance; they certainly afford no help to those seeking to deny congressional power on other subjects.

Mr. President, I call particular attention to the fact that with reference to these two cases—one the very beginning, Paul against Virginia, followed 45 years later, in 1913, by New York Life Insurance Co. against Deer Lodge Co., with many decisions in between—Messrs. Corcoran and Cohen, who prepared this bill, reached this definite conclusion:

Like all decisions upholding State power, these decisions furnish slight authority for the denial of Federal power over the subject of insurance; they certainly afford no help to those seeking to deny congressional power on other subjects.

If we had before the Senate a bill which undertook to control the insurance companies under the commerce clause of the Constitution, and I should come before the Senate and read the case of Paul against Virginia and the case of New York Life Insurance Co. against Deer Lodge Co., I should be met with this statement by the persons preparing the bill:

Like all decisions upholding State power, these decisions furnish slight authority for the denial of Federal power over the subject of insurance.

Mr. President, of course, it will be impossible for me, by reading Supreme Court decisions or in any other way, to convince those who believe that merely because of the lapse of time, and merely because of the change in the conditions of the country, the Supreme Court is not to be bound by the decisions it has rendered in years past. Of course, if we were to meet that kind of a situation nobody would know exactly where he stood. I may say to the Senator from Montana that I agree generally with him when he says that the recent decisions of the Supreme Court do not affect this particular measure; but, in that connection, it seems to me they do affect the statement of Messrs. Corcoran and Cohen read by me from the brief, because the Supreme Court, as everybody admits, laid down no new rule. They merely reestablished and restated that which they had stated many years before and many times before; but, because of the change in conditions, because people are now living in another age, because new implements have been evolved, and new industries established, it was believed, on the part of some, that the Supreme Court would reach a different conclusion.

To that extent, and to that extent almost alone, do we find any particular support in the N. R. A. decision or the other decisions recently rendered by the Supreme Court.

Mr. President, to my mind not only the decision which I have just read but the decision which I read with respect to the baseball league show conclusively that the mere use of the mail, or the mere use of some other instrumentality of communication between the States, does not of itself constitute commerce, and that is so perfectly clear to me that I do not see how anybody dare dispute it.

Mr. MINTON. Mr. President——

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Does the Senator from Delaware yield to the Senator from Indiana?

Mr. HASTINGS. I yield.

Mr. MINTON. Does not the Senator believe that if Congress has attempted to exercise its power in the admitted field of regulation of interstate commerce, and declared a policy, then to make effective that policy it may deny the mails to those who would attempt to destroy the policy?

Mr. HASTINGS. My answer with respect to the mails is that the use of the mails has never been restricted to any legitimate business, interstate or otherwise, and my notion about the rights that are reserved to the States is that although the Congress itself has been given authority to establish post roads and post offices, undoubtedly the States have reserved to themselves the right to have the mail pass through and into States without interruption. The Congress has never assumed that it could by regulation of the United States mails control the business of any person, whether intrastate or interstate.

If it be true that by the mere restriction of the use of the mails Congress could control a particular business of any kind, it could, if it wanted to, prohibit the use of the mails to any legitimate business anywhere at any time.

I respectfully submit that the limitations upon the Congress are as to those things which are likely to be harmful, such as a mail which may affect the morals of people, a mail which may have in it some kind of a dangerous weapon which might explode and kill someone. All of those things can undoubtedly be controlled, but Congress cannot undertake, and Congress has never undertaken, to control interstate commerce by prohibiting the use of the mails for that purpose.

Mr. President, on yesterday I discussed very fully section 4 of the bill. I called attention to the fact that section 4 prohibited certain corporations from doing things unless they were registered as is provided in section 5. I called attention to the fact that those restrictions did not apply to corporations engaged in interstate commerce.

Now I wish to give a little attention to section 5 of the bill, found on page 21, which provides for registration. It will be observed in the beginning that no effort is made in this section to compel holding companies to register. That is clearly taken care of and becomes wholly unnecessary because of section 4. Section 4 prohibits them from doing things, and if that section be valid and constitutional, they are rescued from that by complying with section 5.

On page 22, after providing in the beginning of the section that a holding company may register by filing a notification, this language is inserted, "Such notification of registration shall include an agreement", and in parenthesis the words "which shall not be construed as a waiver of any constitutional right or any right to contest the validity of any rule or regulation."

This brings us to a consideration of section 5 and all its provisions to ascertain whether there is in it any regulation provided which is unconstitutional. It goes into great detail, and sets up a regulation that is very drastic. I do not know that it is particularly necessary for me to read it at this time.

The latter part of the section provides that—

A registered holding company which has ceased to be a holding company may upon application withdraw its registration in accordance with the rules and regulations of the Commission and upon such terms and conditions as the Commission may find necessary for the protection of investors.

In other words, once registered, although a company ceases to be a holding company, it does not easily get away, and cannot get away except upon such terms and conditions as the Commission may determine.

I wish to consider for a little while section 6, and I ask the Senate to bear with me in discussing this section and to bear in mind what I have said and what has been said by others with respect to the bill being limited to interstate commerce.

Section 6, found on page 26, provides:

It shall be unlawful for any registered holding company or subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise—

"Or otherwise." That, I think, is the first time the statement has been broadened. The language up to this point has been "by the use of the mails or any means or instrumentality of interstate commerce", but now the framers of the bill have gone the full length and added the words "or otherwise, directly or indirectly"—

(1) To issue or sell any security of such company.

I have never been able to find any interstate-commerce transaction in the mere issuing of a security. It does not say "issue and sell and deliver outside of the State", which, in my judgment, would not constitute interstate commerce either, but holding companies are prohibited from issuing securities, and they are prohibited from selling any securities. They cannot issue a security, they cannot sell one, regardless of to whom they offer it or the purpose for which they issue it.

Secondly, they are not permitted—

To exercise any privilege or right to alter the priorities, preferences, voting power, or other rights of the holders of an outstanding security of such company.

Bear in mind that holding company takes in all of the companies. The definition of a holding company is not limited to one engaged in interstate commerce. It includes all of them.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. I am sure the Senator wants to be fair, and I wish to repeat that this provision applies only to holding companies which do not register, and which are engaged in interstate commerce.

Mr. HASTINGS. I think the Senator had stepped out of the Chamber for a moment. I am now talking about section 6, found on page 26, which does apply to registered holding companies.

Mr. WHEELER. In reading this section we must take into consideration, of course, the registered holding companies which have not been exempted. Under the bill we propose to exempt all those companies which are engaged wholly in intrastate commerce and all of those companies which are predominantly engaged in intrastate commerce. I think the Senator overlooks the fact that section 6 applies only to registered holding companies.

Mr. HASTINGS. That is my understanding.

Mr. WHEELER. The registered holding companies to which this section relates are only those holding companies which are engaged in interstate commerce. The Senator would not contend that the Interstate Commerce Commission could not regulate the securities of the railroad companies, would he?

Mr. HASTINGS. No.

Mr. WHEELER. As a matter of fact, the Commission does that to some extent at the present time. In order to clear up the point to which the Senator has referred, let me say, concerning the exemptions, that there might be confusion in the minds of some people. I agree with the Senator with reference to the provision concerning exemption on page 17, as follows:

The Commission, by rules and regulations or order, shall exempt any holding company, and every subsidiary company thereof as such, from any provision or provisions of this title, if and to the extent that it deems the exemption not detrimental to the public interest or the interest of investors or consumers.

The intention of the committee was that the company should be exempt entirely except with reference to those provisions of the title which had relation to the sale of its securities in interstate commerce. That was the intention of the committee. I might say to the Senator that I am drafting an amendment to that exemption so as to make perfectly plain and clear exactly what I had in mind with reference to it, which I stated on the floor of the Senate, so there cannot be any question with reference to it. If

that amendment were in the section, then the Senator could not contend that section 6 attempted to regulate the sale of securities, except in transactions by a registered holding company which was engaged in interstate commerce. I just wanted to clear up that point.

Mr. HASTINGS. Will the Senator explain the necessity of putting in the words in lines 10 to 12 in section 6 on page 26?—

By use of the mails or any means or instrumentality of interstate commerce, or otherwise, directly or indirectly.

Why should it not read?—

It shall be unlawful for any registered holding company or any subsidiary company thereof (1) to issue or sell any security of any such company; or (2) to exercise any privilege or right to alter the priorities, preferences, voting power, or other rights of the holders of an outstanding security of such company.

I cannot quite see the necessity of that language in the bill, because by adding the words "or otherwise" everything has been covered.

Mr. WHEELER. I think there is something in what the Senator has said, but I will say that the only reason for putting the words in there was to make the statement in broad general terms. The Senator knows perfectly well as a lawyer that when he is drafting a complaint he makes it in broad general terms. I do not think that language in the bill has any particular significance.

Mr. HASTINGS. I think the Senator should give some consideration to that language, because it appears, as I recollect, 11 times in the bill, beginning with section 6 and running through to section 13. I cannot make any sense of the language itself—

By use of the mails or any means or instrumentality of interstate commerce, or otherwise;

It confuses me because I do not know its purpose.

Mr. WHEELER. Will the Senator state the language again?

Mr. HASTINGS. Take line 10 on page 26 of the bill. I should like to know why it would not be just as well to strike out the words:

By use of the mails or any means or instrumentality of interstate commerce, or otherwise, directly or indirectly.

There might be some point in keeping the words "directly or indirectly" in the bill. The objection I make does not apply to them. The same language appears 11 times in the bill. It makes it a little more difficult to understand and know the purposes of the bill.

Mr. WHEELER. The only reason for putting that language in the bill was that if there were an attempt made to attack the constitutionality of the measure the use of such language might strengthen the provision. That was the only purpose of putting it in there.

Mr. HASTINGS. I am not suggesting that it be stricken out for the purpose of weakening the bill. I am suggesting that it be stricken out because to me it is a little confusing. I do not understand why it is there.

Mr. President, turning to page 28, paragraph (c), we find:

It shall be unlawful for any registered holding company or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce—

To do what?—

to sell, or offer for sale, from house to house, any security of such registered holding company.

I am confused in the same way because of the use of the same language. If the Senator would write in there, "It shall be unlawful for any registered holding company or any subsidiary company thereof to sell, or offer for sale, from house to house, any security of such registered holding company", we would then have, it seems to me, an intelligent statement, and one which could be readily understood. I make that suggestion to the chairman for whatever it may be worth.

Mr. WHEELER. I take it the Senator has no objection to putting in a provision that such a company shall not be permitted to sell its stock from house to house.

Mr. HASTINGS. In the case of a company which is actually engaged in interstate commerce, and sufficiently engaged for the Congress to lay its hands upon it, I do not have any objection to the Congress putting such restrictions upon the sale of its securities as may be reasonable.

Mr. WHEELER. That is what I asked the Senator.

Mr. HASTINGS. Senators will find the same language in section 9, on page 35, at the bottom of the page:

SEC. 9. (a) Unless the acquisition has been approved by the Commission under section 10, it shall be unlawful—

(1) For any registered holding company or any subsidiary company thereof, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to acquire, directly or indirectly, any securities or capital assets of another company.

It would be very much more sensible, it seems to me, if it should read:

For any registered holding company, or any subsidiary company thereof, to acquire, directly or indirectly, any securities or capital assets of another company.

The same language appears in several other places in the bill.

Mr. President, yesterday I called attention to certain reasons I had for believing this bill to be unconstitutional, one of which was that "the business of all holding companies is outlawed by the bill upon the theory that their business is used as an agency to promote dishonesty, or the spread of an evil or harm to the people of other States from the State of origin."

In order that we may understand the theory of this bill and the theory that the holding company ought to be outlawed, I invite attention again to the language of the brief contained on pages 812 and 813 of the hearings, the brief having been filed by Messrs. Corcoran and Cohen.

Mr. WHEELER. I did not understand what the Senator said about the brief. Did he say the brief was made by Higgins and Hawkins, of the firm of Cromwell & Sullivan, or what was it he said about it?

Mr. HASTINGS. Mr. President, the Senator did not misunderstand me. The brief is signed by Thomas G. Corcoran and Benjamin V. Cohen. Unfortunately, I do not have any brief which can compare with it in the amount of work which has been done on it. It is an intelligent brief, but needs to be analyzed with great care in order to prevent being deceived by it; and I do not use that expression in any offensive sense.

I quote from page 812 of the brief:

After rejecting the contention that the prohibition of lotteries was a matter reserved to the States by the tenth amendment, Mr. Justice Harlan continued:

"As a State may, for the purpose of guarding the morals of its own people, forbid all sales of lottery tickets within its limits, so Congress, for the purpose of guarding the people of the United States against the 'wide-spread pestilence of lotteries' and to protect the commerce which concerns all the States, may prohibit the carrying of lottery tickets from one State to another.

"In legislating upon the subject of the traffic in lottery tickets, as carried on through interstate commerce, Congress only supplemented the action of those States—perhaps all of them—which, for the protection of the public morals, prohibit the drawing of lotteries, as well as the sale or circulation of lottery tickets, within their respective limits. It said, in effect, that it would not permit the declared policy of the States, which sought to protect their people against the mischiefs of the lottery business, to be overthrown or disregarded by the agency of interstate commerce. We should hesitate long before adjudging that an evil of such appalling character, carried on through interstate commerce, cannot be met and crushed by the only power competent to that end. We say competent to that end, because Congress alone has the power to occupy, by legislation, the whole field of interstate commerce. What was said by this Court upon a former occasion may well be here repeated: 'That framers of the Constitution never intended that the legislative power of the Nation should find itself incapable of disposing of a subject matter specifically committed to its charge'" (*In re Rahrer*, 140 U. S. 545, 562; 188 U. S. at 357–358).

The brief continues:

"Prior to the decision in *Champion* v. *Ames*, the Supreme Court had assumed the validity of the act prohibiting the interstate transportation of livestock known to be affected with a contagious disease (*Missouri K. & T. R. Co.* v. *Haber*, 169 U. S. 613, 621; *Reid* v. *Colorado*, 187 U. S. 137, 149–150). Since that case was decided it has sustained the Pure Food and Drug Act prohibiting the transportation in interstate commerce of adulterated or misbranded articles (*Hipolite Egg Co.* v. *U. S.*, 220 U. S. 45; *Weeks* v. *United States*, 245 U. S. 618); the White Slave Traffic Act (*Hoke* v. *United States*, 227 U. S. 308; *Caminetti* v. *United States*, 242 U. S. 470); and the National Motor Vehicle Theft Act, punishing the in-

terstate transportation of stolen motor vehicles (*Brooks* v. *United States*, 267 U. S. 432). On the same theory it has upheld a prohibition of the importation of prize-fight films designed for public exhibition (*Weber* v. *Freed*, 239 U. S. 325)"—

Right here it might well have been said there is a difference between the importation of prize-fight films and the transportation of prize-fight films from one State to another. The Court did not decide—and my understanding is that it has never decided—that it was unlawful to ship prize-fight films from one State to another. Of course, the Congress has a right to prohibit the importation of anything it wants to prohibit; it has exclusive jurisdiction in that respect, which is entirely different from the regulation of interstate commerce itself. As a matter of fact, prize-fight films are being sent, and no effort is being made to prosecute anybody for doing so—

" while the importation provision was the only one before the Court in that case, the same statute prohibits the transportation of such films from one State to another, and the source of congressional power is the same over interstate as over foreign commerce."

That I dispute. There is a difference; Congress can regulate the one; it can prohibit the other:

In addition, the Supreme Court has upheld statutes forbidding the introduction of intoxicating liquors into States in which their use is prohibited (*In re Rahrer*, 140 U. S. 545; *Clark Distilling Co.* v. *Western Maryland Railway Co.*, 242 U. S. 311). The theory of this legislation has been embodied in the recent Hawes-Cooper Act regulating the transportation of prison-made goods. Compare *Alabama* v. *Arizona* (291 U. S. 266). Prohibition of the interstate transportation of oil produced in violation of the State proration requirements was authorized by section 9 (c) of the National Industrial Recovery Act. When this provision was held unconstitutional as an invalid delegation of legislative power (*Panama Refining Co.* v. *Ryan*, decided Jan. 7, 1935), the Congress promptly imposed the same prohibition by passing the Connally oil-control bill.

That does not help us very much, because that may be unconstitutional, but I do not know as to that.

A statute has long been on the books prohibiting the interstate shipment of game secured or handled in violation of a State law; this act was upheld by the Circuit Court of Appeals in *Rupert* v. *United States* (181 Fed. 87), but has not been passed upon by the Supreme Court.

But everybody recognizes the very definite difference, as I pointed out yesterday, between the shipment of game against the State law and some other transaction of interstate commerce.

The Grain Futures Act contains a provision (sec. 6) making it unlawful to deliver for transmission through the mails or in interstate commerce any offer, confirmation, or price quotation relating to contracts for the sale of grain for future delivery, except under the regulated conditions required by the act. In upholding the act as a whole, the Supreme Court found it unnecessary to pass upon the validity of this provision since the parties to the suit were not affected by it (*Chicago Board of Trade* v. *Olsen*, 262 U. S. 1, 42). The similar provisions in the Securities Act of 1933 and the Securities Exchange Act of 1934 have already been noted.

The power exercised in these statutes has been described by the Supreme Court in the following terms.

This language was used in the case involving the transportation of stolen automobiles:

Congress can certainly regulate interstate commerce to the extent of forbidding and punishing the use of such commerce as an agency to promote immorality, dishonesty, or the spread of any evil or harm to the people of other States from the State of origin. In doing this it is merely exercising the police power, for the benefit of the public, within the field of interstate commerce (*Brooks* v. *United States*, 267 U. S. at 436–437).

I wish to read further from this brief, because it shows the theory upon which this bill was constructed.

The prohibition of the use of interstate commerce contained in the present bill is precisely of this nature; it is designed to prevent the use of interstate commerce as an agency to promote the spread of the evil that results from holding companies to the purchasers of their securities and to the consumers served by the public-utility companies which they control. That this police power, for the benefit of the public, within the field of interstate commerce is not limited to prohibiting the transportation of articles that are themselves harmful is shown by the Brooks case, from which this quotation is taken.

That is the automobile case.

The stolen automobile there involved was not itself different from any other automobile. The Pure Food and Drugs Act has been upheld not merely in its application to harmful adulterated articles (*Hipolite Egg Co.* v. *United States*, 220 U. S. 45), but also to those which are merely misbranded (*Weeks* v. *United States*, 245 U. S. 618), and to those accompanied by circulars containing fraudulent statements (*Seven Cases* v. *United States*, 239 U. S. 510). There is nothing harmful about the prison-made goods governed by the Hawes-Cooper Act or the "hot oil" which the Connally Act seeks to control. The communications prohibited by the Grain Futures Act, the Securities Act, and the Securities Exchange Act are precisely of the same inherent character as many of those that would be affected by the present bill. The great variety of cases in which the prohibition of interstate shipment of articles has been upheld show clearly that Congress has acted upon widely differing policies in imposing these prohibitions. The inherent evil of the article itself may be one ground for imposing the prohibition; it is plainly not the only one.

Here is the substance of the argument:

The evil that may reasonably be thought to result from the interstate distribution of unapproved securities, from interstate communications and negotiations looking toward the unapproved acquisition of securities, or from the use of the inherently dangerous holding-company device to conduct activities affecting an industry vital to the welfare of the entire Nation may certainly justify the imposition of like prohibitions. The constitutional theory of the present bill is firmly imbedded in the entire course of Federal legislation from the Sherman Act to the Securities Exchange Act.

The only authority limiting this police power of Congress within the field of interstate commerce is *Hammer* v. *Dagenhart* (247 U. S. 251), where the Court held invalid a prohibition against transporting in interstate commerce articles produced in factories where child labor had been employed within 30 days prior to their shipment.

Then these lawyers continue:

The child-labor decision is readily distinguishable from all the cases that might arise under the present bill. There is here no concern with the purely local conditions in a business like manufacturing which can be completely regulated by the State regardless of the ultimate destination of the product. Whether one centers attention on the regulation of the sale of securities in interstate commerce or on the control of intercompany transactions conducted by means of interstate commerce, the situation is accurately described by the statement of the Brooks case as a prohibition of the use of interstate commerce as an agency promoting the spread of harm to the people of other States from the State of origin.

Mr. President, I have read extensively from the brief for the purpose of showing that the proponents of the bill are depending, as they must depend, upon being able to convince the Congress, in the first place, and the Supreme Court, in the second place, that what they are trying to do relates to a thing which ought to be outlawed. But the weakness of their position is that in all the cases which they have cited and from which I have read, and the other cases cited in the brief from which I have not read, it will be found that the particular article itself was the thing that had been outlawed.

For instance, when dealing with diseased cattle, the Congress did not undertake to say that cattle cannot be transported across State lines in interstate commerce any longer because there are diseased cattle in the land and we cannot take a chance because we do not know who is dealing in them. In that particular case the Government could, of course, set up regulations and separate the diseased from the healthy cattle and not let the diseased cattle go into interstate commerce.

The same thing is true with respect to automobiles. Because people are stealing automobiles and taking them across State lines does not mean that Congress may prohibit people from taking their automobiles across State lines if they are doing it for a legitimate purpose. It does not mean that any of these prohibitions apply to people who are doing a proper and legitimate thing.

So, when we come to deal with holding companies, we cannot say, as has been undertaken to be said in the first part of the bill, that because certain bad practices have grown up, we are therefore entitled, and it is the duty of the Congress, to eliminate the holding company itself as an institution. This is the first time in the history of the Nation, so far as I know, that such an attempt has been made. The nearest instance I know of is the employers' liability case, to which I called attention yesterday. In that case the Court distinctly pointed out that there was an effort not to do a particular thing but that it was applied to particular persons, and they found objection to it on that ground.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Delaware yield to the Senator from Montana?

Mr. HASTINGS. I yield.

Mr. WHEELER. Let me call attention to the fact that in the case of stolen automobiles, after an automobile is stolen, no disease is going to be caused or disseminated among the people by taking that automobile across any State line.

Let me call attention to the fact that in the case of prison-made goods, the goods in and of themselves are all right; there is nothing wrong with the goods themselves; but Congress declared it to be the policy that prison-made goods should be prohibited in interstate commerce.

Likewise there is nothing inherently wrong in a railroad company transporting its own coal or its own manufactured goods, but the Congress condemned that practice and said no company might engage in it.

Mr. HASTINGS. A little later I shall discuss those cases to which the Senator has several times referred.

I now desire to invite the attention of the Senate to some other points. The proponents of the measure evidently found it necessary from their point of view, in order for the Congress to conclude that a holding company must be eliminated because of its inherent bad practices, that there should be somewhere in the record and somewhere in the bill which would be presented to the Congress some evidence of the bad characteristics of the holding company itself. So we find it in paragraph (b) of the first section set out in some detail. I invite attention of the Senate that here is the indictment upon which we are about to act. Here is the indictment which has been made against the holding company. Based upon this evidence found in the bill, we are asked to say that the holding company is in the same class with the stolen automobile, diseased cattle, women who are being transported across State lines for immoral purposes, and in the same class with adulterated foods, and what not.

I read from this paragraph in the bill as follows:

(b) The national public interest requires the exertion of Federal control over the transactions and practices of public-utility holding companies and their subsidiary companies and affiliates, where such companies or subsidiaries or affiliates operate, market securities, and transact business in interstate commerce or through the mails, because, as disclosed by the reports of the Federal Trade Commission—

Think of writing this in a bill—

because, as disclosed by the reports of the Federal Trade Commission made pursuant to S. Res. 83 (70th Cong., 1st sess.), the reports of the Committee on Interstate and Foreign Commerce, House of Representatives, made pursuant to H. Res. 56 (72d Cong., 1st sess.) and H. J. Res. 572 (72d Cong., 2d sess.) and as otherwise disclosed—

The authors of the bill go to those reports which most Members of Congress have never read. They go to those reports which are made up from an investigation without any of the companies having an opportunity to be heard. They reach this conclusion and they write this indictment in the bill:

(1) The securities of such public-utility holding companies, subsidiary companies, and affiliates are sold to a large number of investors in different States.

I suppose there would be no difficulty in proving that, and I think that might be very well admitted.

(2) Such investors cannot obtain the information necessary to appraise the financial position or earning power of such issuers because of the absence of uniform standard accounts.

What business has the Congress doing that? What business is it of the Congress to be furnishing information to investors or to compel others to furnish information to investors unless it be in some instance, like that involving the stock exchange, where the securities are not well known? Investors do not have to invest if they do not desire to do so. We do not have to furnish that information unless it is necessary. The point is the Congress must see to it, so far as possible, that nobody is deceived by somebody else by furnishing misinformation; but here it is said that "such investors cannot obtain the information." It does not say the information which was obtained is not correct; it does not say the investors have been deceived; but merely upon the ground that investors do not have the necessary information, these companies are indicted.

(3) Such securities are frequently issued without the approval or consent of the States having jurisdiction over subsidiary public-utility companies.

What business is that of the Congress? It is the business of the States to say whether they do or do not wish to approve these securities before they are sold. We do not have to look after the interests of the States. That is one of the great difficulties we are encountering just now—the desire of Congress to control the whole Nation, and to eliminate State lines and State governments.

(4) Such securities are often issued upon the basis of fictitious asset values and of paper profits from intercompany transactions, and hence do not accurately reflect the sums invested in underlying public-utility properties.

I desire here to point out that all this information can be obtained, and ought to be available to anybody, since the passage of the Securities Act. All corporations are bound to give it. They cannot issue their securities, and their securities cannot be sold either over the counter or on the stock exchange, unless such information is given by the corporations. I beg the Senate to bear in mind that these are the allegations which are to put the holding company out of business, and on the basis of which it is declared that the holding company is the kind of an institution that is doing harm to the people of the Nation.

(5) Such securities are often issued in anticipation of excessive revenues from subsidiaries which, if realized, would burden consumers, and the failure to realize such revenues, because of State regulation of subsidiary public-utility companies, results in loss to investors who have been led to believe that such revenues are a legitimate part of the issuer's income.

Think of legislating because somebody may be disappointed in the anticipation of excessive revenues. How many of us, in our individual transactions, have been disappointed in the anticipation of something from the farm, or from some other source, that we had reason to believe would come to us? Yet here it is proposed that the Congress shall indict somebody because he has issued securities in anticipation of excessive revenues:

(6) Such securities, when improvidently issued, subject subsidiary public-utility companies to the burden of supporting an overcapitalized superstructure, to the detriment of investors and consumers, and tend to prevent voluntary rate reductions which over a period of time might promote a greater and more economic use of gas and electric energy and thereby strengthen subsidiary public-utility companies.

Within the year, I think, in a case decided by the Supreme Court, it has definitely stated, with respect to service contracts and all other things that it is said the holding companies are imposing upon the operating companies, that the States have a right to put upon the utility company which is furnishing the electric power or other service to the consumer the burden of showing that the contracts complained of, which the holding companies have imposed upon the operating companies, shall be reasonable. So that matter is disposed of by a recent decision of the Supreme Court.

(7) Subsidiary public-utility companies are often subjected to excessive charges for services, construction work, equipment, and materials to the detriment of investors and consumers.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Delaware yield to the Senator from Indiana?

Mr. HASTINGS. I do.

Mr. MINTON. With reference to the further point on which the Senator referred to a recent decision of the Supreme Court, providing that in the investigation of these cases it may be required that the contract be reasonable, of course, that can apply only in an individual rate case which is before a State commission. At the same time such an unreasonable contract may not be challenged in half a hundred or half a thousand other places, and the ratepayers may be paying the exorbitant charge because it has

not been challenged in an individual case, whereas if there were power to regulate the reasonableness of such charges, it would apply to every community affected by them.

Mr. HASTINGS. That takes us back to the same difficulty we are experiencing. We are trying to relieve every community in the United States of all its troubles by congressional action. I have no patience with the State which cannot protect itself against this kind of thing. Any State which has a live commission can do so.

I remember what has been said with respect to the matter. I remember that the chairman of the committee, in his speech to the Senate, said:

> In view of the fact that the utilities have had enough power to come to the Senate and with their propaganda frighten many people with respect to this bill and put them in a position where they are afraid to support it, with that kind of economic and political power existing in the great holding companies, how can we expect the poor State commissions to resist such a thing?

If that is the situation in this country and in the various States of the Union, it is just too bad. I do not know of any particular State in which it is true. If it be true in any particular State, if I represented that State I should be ashamed to admit that the condition did exist. If I knew it to exist, I should go back home and devote some of my time and attention to correcting the condition in my own State, rather than to come to Congress and beg it to go there and do that very thing for me.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Alabama?

Mr. HASTINGS. I yield.

Mr. BLACK. A great deal of the trouble has come from holding companies organized in the State of Delaware. As the Senator well knows, the State of Delaware each year spews out corporations by the thousands. As it spews out these corporations, seemingly it exercises no control whatever over them. May I ask the Senator if it would be possible to get the State of Delaware to exercise some kind of control over holding companies for the benefit of the other States which cannot have jurisdiction of them?

Mr. HASTINGS. I am not surprised that the Senator from Alabama should try to embarrass me by that reference.

Mr. BLACK. I desire to state to the Senator that it is not a question of embarrassment.

Mr. HASTINGS. Then why should the Senator refer to the State of Delaware, when there are dozens of other States in the Union which are doing exactly the same thing, and which are just as liberal in their laws as is the State of Delaware? If the Senator is not making that suggestion for the purpose of trying to embarrass me, why does he pick out the State of Delaware? Why does he not select the State of New Jersey, or the State of Maryland, or some other State?

That is a policy of the State of Delaware, and it is in competition with other States doing the same thing. Because that is true, I do not see why the Senator should come here and make any reference to it when I am trying to point out to the Senate my objections to this particular bill.

I may say in that connection that it seems to me the present administration is in no position to call attention to the bad things that may come from incorporating in the State of Delaware, because my understanding is that it has gone to the State of Delaware, not in one instance but in many instances, to incorporate various companies in order that they may do things that they could not do under the laws of Congress.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. HASTINGS. Yes; I yield.

Mr. BLACK. I think the Senator, in one part of his remarks, has very accurately stated the condition which actually exists with reference to competition between some States as to the kind of corporations they will spawn on the body politic of the Nation. There are several of them; and I may say that in my judgment the State of Delaware has succeeded more nobly in that competition, if it be such, than has any other State in the Union. But in the competition as to the corporations, the States have released them to go forth over the Nation with no continuing control.

We had an investigation in which we learned of a corporation, for instance, organized in the State of Delaware which permitted stockholders who had paid in their money to get subordinate stock without a dollar of value behind it, while stockholders who had not paid in a penny received $3,580,000 worth of stock out of a total of about $5,000,000 under the laws of Delaware; and there is no method provided in the State of Delaware whereby it can retain control over such corporations.

I wish to state to the Senator that I think there are other States which have entered into this wild scramble to create these artificial persons. Some of them have been inspired and stimulated by the number of corporations which have been organized in Delaware.

Mr. HASTINGS. Mr. President, I call attention to the fact that, while there may be some distinction in the law, under a law of Congress the District of Columbia does exactly the same thing as does the State of Delaware. The State of Delaware may be a little more liberal, but, so far as the practice is concerned, it has been established by the Congress itself by permitting it to be done in the District of Columbia. I may say to the Senator, however, that I do not wish in this argument to get away from the question by undertaking to defend what is being done in that respect by the State of Delaware. People do not have to come to the State of Delaware, if they do not want to, in order to form corporations. It is a source of revenue for the State. Very many people think it is a very bad thing. But I do not wish to inject that question into this argument, and I do not yield for any such purpose.

Mr. BLACK. I desire to state to the Senator that I think it is exactly in line with the argument.

Mr. HASTINGS. Not at all.

Mr. BLACK. Because it will be found on investigation that by far the largest percentage of holding companies were organized under the State of Delaware. The Senator says they come there because they want to do it. That is correct; but the type of individuals who seek the place where there is the least control and where there is the least chance afforded the average citizen throughout the Nation to secure protection are the very ones who have made it possible to draw up the damning indictment which the Senator has just read. I cannot believe he intends to leave the impression that he does not think the public are entitled to protection from the nefarious and fraudulent practices set out in this indictment.

Mr. HASTINGS. What I said, and I repeat it, was that under the decisions of the Supreme Court in the matter of the regulation of rates by operating companies, there is nothing to prevent a State agency from permitting a company to charge against its costs of production and service only the actual value of the service it has received from some holding company. That is the point I make with respect to it, and I say that is true, and I say that the statement made by the Senator from Montana that the fact that the holding company is large and therefore has great power economically and politically is the one thing that prevents the State from doing it, is not a fair statement of the facts.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. MINTON. Does not the Senator recognize the fact that the benefit of that proposition of law, as I tried to point out a while ago, is always limited to the particular case that is being tried or heard before a particular commission? An operating company, we will say by way of illustration, serves 275 municipalities. One of them has a rate case, and in that case that one city may obtain the benefit of the rule of the Supreme Court that the charge of the holding company must be reasonable; but there are 274 other communities which do not have rate cases, which are still paying the

rates which are based upon operations of that kind, and which do not get the benefit of the action in the one case.

Mr. HASTINGS. They could institute rate cases if they thought they were justified, could they not?

Mr. MINTON. Oh, yes; but it requires a rate case in each instance, or a rate case including the whole system at one time, in order that they may obtain the benefit of the rule which the Senator says the Supreme Court has laid down.

Mr. HASTINGS. In the case the Senator assumes, is there not a State regulation, or is it municipal regulation?

Mr. MINTON. The company may be under State regulation, but each municipality has to inaugurate an individual rate case in order to secure the benefit of the rule to which the Senator refers. In the case mentioned the 274 other cities would not get the benefit of it because they did not have rate cases, and they could not get the benefit of it until they had instituted rate cases.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. Did I understand the Senator to say that the District of Columbia permits holding companies to be organized?

Mr. HASTINGS. No; I said the Congress permitted the District of Columbia to do what the Senator from Alabama called the promiscuous issuing of charters.

Mr. WHEELER. Let me call the attention of the Senator to the provision of the code of the District of Columbia:

It shall not be lawful for any company to use any of its funds for the purchase of any stock in any other corporation.

Mr. HASTINGS. I knew that provision was there.

Mr. WHEELER. So I say to the Senator that the District of Columbia does not permit what he said could be done.

Mr. HASTINGS. I did not make the statement that the District of Columbia permitted the incorporation of holding companies. As the Senator from Alabama condemned the State of Delaware for spewing out a lot of corporations, I called his attention to the fact that the Congress had permitted the District of Columbia to spew them out quite as frequently as has the State of Delaware, and the Senator from Montana calls my attention to one exception and one difference between the two, that is all.

Mr. WHEELER. It seems to me that is a vast difference.

Mr. HASTINGS. It is a vast difference when the Senator has in his mind holding companies, but the holding company "racket", if it may be so called, is not the only racket in the business world today, or among corporations. It is the one thing the Senator from Montana has on his mind for the moment, but tomorrow or some other day he will probably call our attention to something else that is quite as bad.

Mr. WHEELER. I agree, and the Senator will agree with me that there are other practices which are bad; but the Senator will agree also, I think, that the holding company in the last few years has been one of the worst evils in the business world, particularly in the utility field, and Congress took recognition of that fact something over 7 years ago when it adopted a resolution authorizing an investigation of the utility industry because of the holding-company racket.

Mr. HASTINGS. I know there are some bad practices, and I know that something ought to be done about them, if we could find the way to do it; but I do not want to digress from the subject I was discussing. I wish to continue the reading of the indictment against them, and I assume there has been written in the bill as much as the framers dared write against them; and then I want to argue from that premise that that is not sufficient of itself to outlaw the holding company, and to provide by law that the holding company shall not be permitted to use the mails or other instrumentalities of interstate commerce.

Now I desire to read subdivision (10).

(10) Service, management, construction, and other contracts involve the allocation of charges among subsidiary public-utility companies in different States and present problems of regulation which cannot be dealt with effectively by the States; (11) control of subsidiary public-utility companies materially affects the accounting practices and rate, dividend, and other policies of such companies, thereby in many instances complicating and obstructing State regulation of such subsidiary companies; (12) the growth and extension of holding companies in some cases have borne no relation to the economies of management and operation or to the integration and coordination of related properties, but have been influenced by a desire for economic power and security profits and have tended toward the concentration and monopolization in a few holding-company systems of control of gas and electric utility companies to the detriment of investors, consumers, and the general public; (13) the abuses above enumerated, commonly associated with the activities of many public-utility holding companies, have been so persistent and so wide-spread that they necessitate legislation to control the holding company, and eliminate it as an artificial corporate device inherently injurious to investors, consumers, and the general public, except where it is useful and necessary for the operations of a geographically and economically integrated public-utility system.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Reynolds
Ashurst	Costigan	Logan	Robinson
Austin	Couzens	Lonergan	Russell
Bachman	Dickinson	McAdoo	Schall
Bailey	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barbour	Duffy	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Black	Frazier	Maloney	Steiwer
Bone	George	Metcalf	Thomas, Okla.
Borah	Gerry	Minton	Thomas, Utah
Brown	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Guffey	Murray	Truman
Burke	Hale	Neely	Tydings
Byrd	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Chavez	Johnson	Overton	Wheeler
Clark	Keyes	Pittman	White
Connally	King	Pope	
Coolidge	La Follette	Radcliffe	

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. HASTINGS. Mr. President, I have called attention to the allegations which have been made, because to my mind they strengthen the position taken by the proponents of the bill that the holding company must itself be outlawed. Perhaps they reached this conclusion because they could not limit it to the bad companies and at the same time get rid of the holding company itself. The allegations referred to indicate that these bad practices ought to be eliminated, and the purpose of the bill is to eliminate them. However, I desire to call attention to the following language found on page 11 of the majority report, referring to title I:

The title requires that a holding company—

Here is the purpose of it—

be permitted to hold only a single system of operating companies in order to break down dangerous and unnecessary Nation-wide financial interlockings in the essentially local operating utility business; to break down the concentration of the economic and political power now vested in the Power Trust; to reduce utility enterprises to a size and power which can successfully be regulated by local and Federal regulatory commissions; to rearrange the relationships between operating and holding companies on a functional basis so that intelligent regulation is possible; to confine the operations and the interest of each public-utility system to the actual utility business of a given region so that the system will have to work out a modus vivendi with the population of that region.

Mr. President, it will not be found in the bill itself; it will not be found in the majority report, in which the purposes are set forth, which I read; it will not be found anywhere that the purpose of this bill is to prevent interstate commerce from being interrupted. The basis of it is the interstate-commerce clause, and the authority of Congress to deal therewith comes from the fact that Congress must see to it that there is always a free flow of commerce. Anything which substantially interrupts that flow is the subject of control by the Congress.

However, it will be observed from what I have read from the majority report that that is not the purpose of this bill at all. It has an entirely different purpose. It is not for the purpose of improving the conditions of commerce. It is largely for the purpose of breaking down dangerous and

unnecessary Nation-wide financial interlockings in the essentially local operating utility business.

That may be a worthy object. I am not complaining about that. However, I repeat what I said on yesterday that I am complaining about the use of the regulatory powers of Congress over the mails, and the use of the power of Congress over interstate commerce as an excuse for doing something entirely outside of the purpose of regulating commerce or regulating the mails.

I have pointed out that the proponents of the bill were trying to put this business in the same class as contraband, and I submit that cannot possibly be done. It cannot be said, because bad practices exist in certain businesses in this country, because in various cities of the country bad practices have grown up in banking institutions or in brokerage firms or in mercantile associations, that means which those companies and those institutions use in the way of interstate commerce must be outlawed. That cannot be done under our form of government. The uses of the regulatory powers over the mails are limited. The use of the regulatory power over interstate commerce is limited. As I pointed out, not all interstate commerce is subject to regulation by the Congress. There must be a real purpose in the regulation to improve the condition of interstate commerce itself.

I shall undertake to show from the decisions cited by the Senator from Montana that they do not in any way touch the questions raised by the pending bill. He has frequently referred to the Northern Securities case, the commodity cases, the Reading case, the Southern Pacific Terminal case, and yesterday he mentioned another case which I have here. I propose to read from some of these cases and see if I can distinguish them.

I first call attention to the case of the Delaware, Lackawanna & Western Railroad against The United States, in Two Hundred and Thirty-one United States Reports, and I shall read, beginning on page 368:

> The Delaware, Lackawanna & Western Railroad Co. was indicted for hauling, over its lines, between Buffalo, N. Y., and Scranton, Pa., 20 carloads of hay, belonging to the company, but not necessary for its use as a common carrier. This transportation was charged to be in violation of the commodities clause of the Hepburn Act, June 29, 1906, chapter 3591, 34 Statutes, 585, which makes it unlawful "for any railroad company to transport in interstate commerce any article * * * it may own * * * or in which it may have any interest * * * except such * * * as may be necessary * * * for its use in the conduct of its business as a common carrier."
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> The statute deals with railroad companies as public carriers, and the fact that they may also be engaged in a private business does not compel Congress to legislate concerning them as carriers so as not to interfere with them as miners or merchants. If such carrier hauls for the public and also for its own private purposes, there is an opportunity to discriminate in favor of itself against other shippers in the rate charged, the facility furnished, or the quality of the service rendered. The commodities clause was not an unreasonable and arbitrary prohibition against a railroad company transporting its own useful property, but a constitutional exercise of a governmental power intended to cure or prevent the evils that might result if, in hauling goods in or out, the company occupied the dual and inconsistent position of public carrier and private shipper.
>
> It was suggested that the case is not within the statute, because, as the company could buy in Scranton hay that had already been transported over its line, no possible harm could come to anyone if it bought the same hay at Buffalo and then hauled it to Scranton for use at the mine, but not for sale in competition with other dealers in stock food. But the courts are not concerned with the question as to whether, in a particular case, there had been any discrimination against shippers or harm to other dealers. The statute is general and applies not only to those particular instances in which the carrier did use its power to the prejudice of the shipper but to all shipments which, however innocent in themselves, come within the scope and probability of the evil to be prevented.

That, Mr. President, is perhaps not the best of the commodity cases, and I will refer to the case of the United States against Delaware & Hudson Co., reported in Two Hundred and Thirteenth United States Reports, page 366, which I think goes into more details with respect to the purpose of the act. I read from page 406:

> With these concessions in mind, and despite their far-reaching effect, if the contentions of the Government as to the meaning of the commodities clause be well founded, at least a majority of the Court are of the opinion that we may not avoid determining the following grave constitutional questions:
>
> 1. Whether the power of Congress to regulate commerce embraces the authority to control or prohibit the mining, manufacturing, production, or ownership of an article or commodity not because of some inherent quality of the commodity but simply because it may become the subject of interstate commerce. 2. If the right to regulate commerce does not thus extend, can it be impliedly made to embrace subjects which it does not control by forbidding a railroad company engaged in interstate commerce from carrying lawful articles or commodities because, at some time prior to the transportation, it had manufactured, mined, produced, or owned them, etc.? And involved in the determination of the foregoing questions we shall necessarily be called upon to decide, (a) did the adoption of the Constitution and the grant of power to Congress to regulate commerce have the effect of depriving the States of the authority to endow a carrier with the attribute of producing as well as transporting particular commodities, a power which the States from the beginning have freely exercised, and by the exertion of which governmental power the resources of the several States have been developed, their enterprises fostered, and vast investments of capital have been made possible?
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> It is elementary when the constitutionality of a statute is assailed, if the statute be reasonably susceptible of two interpretations, by one of which it would be unconstitutional and by the other valid, it is our plain duty to adopt that construction which will save the statute from constitutional infirmity.
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> Recurring to the text of the commodities clause, it is apparent that it disjunctively applies four generic prohibitions, that is, it forbids a railroad carrier from transporting in interstate commerce articles or commodities—1, which it has manufactured, mined, or produced; 2, which have been so mined, manufactured, or produced under its authority; 3, which it owns in whole or in part; and, 4, in which it has an interest, direct or indirect.
>
> It is clear that the two prohibitions which relate to manufacturing, mining, etc., and the ownership resulting therefrom, are, if literally construed, not confined to the time when a carrier transports the commodities with which the prohibitions are concerned, and hence the prohibitions attach and operate upon the right to transport the commodity because of the antecedent acts of manufacture, mining, or production.
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> But it is said, on behalf of the Government, in view of the purpose of Congress to prohibit railroad companies engaged in interstate commerce from being at the same time manufacturers, producers, owners, etc., of commodities which they carry, despite the literal sense of some of the prohibitions they should all be construed so as to accomplish the result intended, and, therefore, their apparent divergence and conflict should be removed by construing them all as prohibiting the transportation because of the causes stated, irrespective of the particular relation of the railroad company to the commodities at the time of transportation.
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> Nor is there force in the contention that because the going into effect of the clause was postponed for a period of nearly 2 years, therefore the far-reaching and radical effects which the Government attributes to the clause must have been contemplated by Congress. We think, on the contrary, it is reasonable to infer, in view of the facts disclosed in the statement which we have previously excerpted, that the delay accorded is entirely consistent with the assumption that it was so granted to afford the time essential to make the change which would be required to conform to the commands of the clause as we have interpreted it, such as providing the facilities for dissociation by sale at the point of production before transportation or segregation by means of the organization of bona fide manufacturing, mining, or producing corporations.
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> * * * * * * *
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> We then construe the statute as prohibiting a railroad company engaged in interstate commerce from transporting in such commerce articles or commodities under the following circumstances and conditions: (a) When the article or commodity has been manufactured, mined, or produced by a carrier, or under its authority, and at the time of transportation the carrier has not in good faith before the act of transportation dissociated itself from such article or commodity; (b) when the carrier owns the article or commodity to be transported, in whole or in part; (c) when the carrier at the time of transportation has an interest, direct or indirect, in a legal or equitable sense in the article or commodity, not including, therefore, articles or commodities manufactured, mined, produced, or owned, etc., by a bona fide corporation in which the railroad company is a stockholder.
>
> The question then arises whether, as thus construed, the statute was inherently within the power of Congress to enact as a regulation of commerce. That it was, we think, is apparent; and if reference to authority to so demonstrate is necessary it is afforded by a consideration of the ruling in the New Haven case, to which we have previously referred. We do not say this upon the assumption that by the grant of power to regulate commerce the authority of the Government of the United States has been unduly limited on the one hand and inordinately extended on the other, nor do we rest it upon the hypothesis that the power conferred embraces the right to absolutely prohibit the movement

between the States of lawful commodities or to destroy the governmental power of the States as to subjects within their jurisdiction, however remotely and indirectly the exercise of such powers may touch interstate commerce. On the contrary, putting these considerations entirely out of mind, the conclusion just previously stated rests upon what we deem to be the obvious result of the statute as we have interpreted it; that it merely and unequivocally is confined to a regulation which Congress had the power to adopt and to which all preexisting rights of the railroad companies were subordinated (*Armour Packing Co.* v. *United States*, 209 U. S. 56).

Mr. President, in that case the Commodities Act prohibited the transportation by railroad of its own goods; and, as I recall, these decisions held that the Court could not interpret the act the way Congress wrote it, but they did hold that the railroad could not own and could not be interested in commodities transported over its own road which gave to that railroad an opportunity that other shippers using the road did not have.

In the Reading case the Reading Co. and various other companies got together and created a holding company which they controlled in order to evade the statute. It was that holding company which the Supreme Court said was not lawful because it interfered with interstate commerce. It was that kind of situation which the Supreme Court said should be eliminated by dissolving the corporation or getting rid of it in some other form.

Mr. President, the Senator from Montana [Mr. WHEELER] insists that the decision in the case of *Southern Pacific Terminal Co.* v. *Interstate Commerce Commission* (219 U. S. 514), is authority for the passage of the pending bill. I desire to read some extracts from the opinion in that case:

Four errors are assigned in the action of the circuit court in dismissing the bill of complaint. (1) The Interstate Commerce Commission had no jurisdiction over the Terminal Co., it not being a common carrier, and therefore not subject to the act to regulate commerce. (2) The Commission had no power or authority to declare the lease to Young illegal. (3) The lease does not constitute an unlawful or undue preference or advantage within the meaning of the act to regulate commerce. (4) The Commission by its order assumed to control intrastate and foreign commerce, not subject to the act to regulate commerce.

Two facts are prominent in the case, that the piers of the Terminal Co. are facilities of import and export traffic at the port of Galveston and that the arrangement of the Terminal Co. with Young has enabled him to largely and rapidly increase his business until his exports of cottonseed products are more than twice those of all other competitors, that he derives therefrom 30 to 40 cents per ton over the ordinary buying and selling profit, and that some who were his competitors had ceased to export. A direct advantage to Young is manifest. A direct detriment to other exporters is equally manifest.

The situation challenges attention. Appellants find in it nothing but the natural and legal result of the sagacity which could see an opportunity for profit and the enterprise which could avail of it. It was the simple matter on the part of Young, it is contended, of bringing his business to the ship's side and cutting out intervening expenses. And it is said that the Terminal Co. had an equally lawful inducement. It had an idle property, it is contended, over which it had absolute control and which it turned to use and profit by the arrangement with Young. And this, it is insisted, was a simple exercise of ownership. If the elements of the controversy are correctly stated, the justification may be considered as made out. * * *

It is true that there was a contention that the wharf was a public one, but the contention was based only on the fact that the wharf was built at the foot of a public street by authority from the city of Pensacola and the State of Florida. That fact alone was not considered sufficient to support the contention. And it was said, "The city or State authorities in granting the right to erect such facilities might, of course, have attached such conditions as they thought wise, but in their absence neither the public nor this plaintiff, as the owner of goods, would have the right, on this state of facts, to go to the wharf with vessels for the purpose of continuing transportation of goods in competition with defendant." It is true it was said that the railroad company never became a common carrier as to the wharf, in the sense that it was bound to accord to the public or to the West Coast Co. the right to use it upon payment of compensation. But it was added that the railroad company would be bound to carry the West Coast Co.'s goods on the rails which led to the wharf, for the same purpose and upon the same terms that it did for others, viz, in order that it might itself, or through others it had contracted with, forward the goods beyond its own line. And it was further said that the West Coast Co. demanded more than this; it demanded that the railroad company should carry its goods in order that it might itself forward them by vessels of its own selection, and that the railroad company should surrender possession of enough of its wharf to enable the other company to do so. * * *

Another and important fact is the control of the properties by the Southern Pacific Co. through stock ownership. There is a separation of the companies if we regard only their charters; there is a union of them if we regard their control and operation through the Southern Pacific Co. This control and operation are the important facts to shippers. It is of no consequence that by mere charter declaration the Terminal Co. is a wharfage company or the Southern Pacific a holding company. Verbal declarations cannot alter the facts. The control and operation of the Southern Pacific Co. of the railroads and the Terminal Co. have united them into a system of which all are necessary parts, the Terminal Co. as well as the railroad companies. As said by the Interstate Commerce Commission, "the Terminal Co. was organized to furnish terminal facilities for the system at the port of Galveston", and it is further said that "through shipments on the railroad lines from and to points in different States of the Union pass and repass over the docks of the Terminal Co. It forms a link in this chain of transportation. It is necessary to complete the avenue through which move shipments over these lines owned by a single corporation."

A thorough examination of that case will convince any reasonable person that it cannot be used as an authority for the action proposed to be taken in this instance.

United States v. *Reading Co.* (253 U. S.) is one of the cases cited by the Senator from Montana as authority for the pending legislation. I quote from that case, at page 48, as follows:

It will be profitable to consider next what use was made of the great power thus gathered into the one holding company.

In 1898 this holding company entered into a combination with five other anthracite-carrying railroad companies to prevent the then contemplated construction of an additional line of railway from the Wyoming field to tidewater, which independent miners and shippers of coal were promoting for the purpose of securing better rates on their coal to the seaboard. In a mere holding company, the Temple Iron Co., all six carriers combined as stockholders for the purpose of providing $5,000,000 with which the properties of the chief independent operators, Simpson & Watkins, were purchased, and thereby the new railroad project was defeated. The president of the holding company was active in the enterprise, and that company, although only one of six, became responsible for 30 percent of the required financing. In *United States* v. *Reading Co.* (226 U. S. 324, 351) this court characterized what was done by this combination, under the leadership of the holding company, in these terms:

"The New York, Wyoming & Western Railroad Co. was successfully strangled, and the monopoly of transportation collectively held by the six defendant carrier companies was maintained."

And, again, at page 355:

"We are in entire accord with the view of the court below in holding that the transaction involved a concerted scheme and combination for the purpose of restraining commerce among the States in plain violation of the act of Congress of July 2, 1890."

The same thing is true in United States against Southern Pacific Co., found in Two Hundred and Fifty-ninth United States Reports, reading from page 231:

The Southern Pacific owns and controls the southerly route and receives 100 percent of the compensation for freight transported by its road and water lines. Over the Central Pacific route it receives but a fraction of the freight, because the Union Pacific, with its eastern connections takes up the carrying from Ogden to the East. Self-interest dictates the solicitation and procurement of freight for the longer haul by the Southern Pacific lines. While many practices, formerly in vogue, are eliminated by the legislation of Congress regulating interstate commerce, and through rates and transportation may be had under public supervision, there are elements of competition in the granting of special facilities, the prompt carrying and delivery of freight, the ready and agreeable adjustment and settlement of claims, and other elements which that legislation does not control.

It is conceded in the brief of counsel for the defendants that "it is true of all such systems that, other things being equal, freight is preferentially solicited for the 100-percent haul."

We reach the conclusion that the stock ownership in the Central Pacific acquired by the Southern Pacific is violative of the Sherman Act within the principles settled by this court, certainly since the decision in the Northern Securities case, in 1904; and that such stock ownership must be divested from the Southern Pacific Co. unless the special circumstances and defenses set up and relied upon by the defendants are to prevail.

Then the Court proceeds to discuss the contentions made and to dispose of them by holding that the action complained of was a conspiracy to interfere with interstate commerce.

The International Textbook Co. case has been referred to. It is referred to in the brief from which I read, and which is printed in the hearings; but it seems to me that case cannot be considered as an authority at all, for the reasons I am about to state.

Reading from the opinion, on page 106 of Two Hundred and Seventeenth United States Reports:

It is true that the business in which the International Textbook Co. is engaged is of a somewhat exceptional character, but in our judgment it was, in its essential characteristics, commerce among the States within the meaning of the Constitution of the United States. It involved, as already suggested, regular and practically continuous intercourse between the Textbook Co., located in Pennsylvania, and its scholars and agents in Kansas and other States. That intercourse was conducted by means of correspondence through the mails with such agents and scholars. While this mode of imparting and acquiring an education may not be such as is commonly adopted in this country, it is a lawful mode to accomplish the valuable purpose the parties have in view. More than that, this mode—looking at the contracts between the Textbook Co. and its scholars—involved the transportation from the State where the school is located to the State in which the scholar resides of books, apparatus, and papers useful or necessary in the particular course of study the scholar is pursuing and in respect of which he is entitled, from time to time, by virtue of his contract, to information and direction. Intercourse of that kind between parties in different States—particularly when it is in execution of a valid contract between them—is as much intercourse, in the constitutional sense, as intercourse by means of the telegraph—a new species of commerce.

* * * * * * *

We must next inquire whether the statute of Kansas, if applied to the International Textbook Co., would directly burden its right by means of correspondence through the mails and by its agents, to secure written agreements with persons in other States, whereby such persons, for a valuable consideration—

And so forth. In that case the court held that the State of Kansas could not tax the school, because it was engaged in interstate commerce.

Mr. President, there has frequently been cited the opinion of Judge Knox. It is found in First Federal Supplement, page 250. I read into the RECORD the other day this language used by Judge Knox:

From what has been made to appear to the court, it is plain that the services performed by respondent on behalf of the holding and subsidiary operating companies, and which, broadly speaking, relate to legal, engineering, secretarial, fiscal, investigatory, and general advisory matters, are not such as will here avail the petitioner. Without analyzing the services rendered by respondent within the foregoing classifications, I shall content myself by concluding that they have to do with activities which, under authoritative decisions, are not recognized as constituting interstate commerce.

Citing perhaps 25 or 30 cases.

Then Judge Knox goes on to show what was the relation of the Electric Bond & Share Co. to some of its subsidiary companies. He quotes at length from the contracts they have. I shall read just one paragraph:

That whereas the General Co.—

That is, the General Electric Co.—

is engaged in the manufacture of electrical apparatus and desires to sell, subject to the terms and conditions hereof, to the Bond & Share Co., and to the companies listed in schedule attached (hereinafter called "subsidiary companies"), which are engaged in the business of central-station electric lighting or distributing electric power for other purposes, for its use and the use of the subsidiary companies, the apparatus manufactured by the General Co. for central-station lighting or for other purposes; and the Bond & Share Co. and said subsidiary companies are willing to buy such apparatus required by them from the General Co.—

In other words, they not only undertook to carry on their own business as a holding company, but they undertook to act as an agent for the subsidiary companies; and I think it further appears here that their compensation depended upon the profits of such companies.

Further along, the contract says:

It is also agreed that if at any time by reason of change in interest, ownership, or control, the Bond & Share Co. shall be unable to control the purchase of equipment by any of the subsidiary companies, due notice shall be given the general company and this agreement shall no longer be applicable to said subsidiary company.

Then Judge Knox cites many such illustrations as to the agreements and arrangements between the companies, and continues:

The foregoing recital engenders an insistent thought that, through the interlocking relationship of the several corporations concerned, the Electric Bond & Share Co. had much to do with the determination by its denominated subsidiaries as to when and where they should purchase apparatus, materials, and supplies which were required in carrying on their respective businesses, and also that, in what was done, the parent company acted in other than a purely brokerage capacity. The phraseology of the contract with General Electric Co. gives apparent recognition to the compulsory character of such influence as Electric Bond & Share Co. chose to exercise over the affairs of the subsidiaries. Under the guise of supervisory and advisory services, the parent concern was afforded an opportunity actively to promote purchases from General Electric Co. That it did so in great volume is obvious. Not only did it charge a fee for advisory and supervisory services performed on behalf of the subsidiaries, but, through the medium of its stock ownership it became a beneficiary of such profits as accrued to the subsidiaries as a result of the purchases.

Further along in the opinion, Judge Knox says:

Upon the basis of the control which respondent exercises over its subsidiary companies through such minority-stock interests, as well as through the presence of many of its officers and directors upon the boards of officers and directors of the subsidiary companies, and in view of the character of the services rendered pursuant to the service contracts, petitioner asks me to disregard the corporate identities of the subsidiary companies, and to hold that "as the acts of the Electric Bond & Share Co. are the acts of these operating companies, the former is engaged in interstate commerce to the extent that the operating companies are so engaged."

In consideration of what has heretofore been said, I am of opinion that there is no need to go to the lengths asked by the Commission.

In other words, the Commission asked the Court to do just exactly what is contended here—that because of the mere ownership of a company, the holding company ought to be declared engaged in interstate commerce, the same as its subsidiary.

At the close of this opinion Judge Knox says:

The manner in which the affairs of the operating companies having to do with interstate commerce are affected by Electric Bond & Share Co., as well as its own activities in the purchase and shipment of materials and equipment in interstate commerce, are quite sufficient to bring respondent within the investigatory authority of the Federal Trade Commission.

Accordingly, an order will be entered directing the individual respondents to answer all questions relating to the cost to Electric Bond & Share Co. of such services as it renders the operating companies in return for the payment of a fee based upon their gross earnings; to the cost of rendering purchasing services which result in interstate movements of materials, apparatus, and supplies to or from any of its subsidiaries for which a separate fee is charged; and to the cost of rendering any services to subsidiary companies engaged in the interstate transmission of electricity or gas for which a separate fee is charged.

In other words, in granting the order the Court limited it to those things which were definitely shown to be interstate in character.

I submit that there is no parallel between that decision and the contention made here that the mere sending of matter through the mails and by other means of communication, the mere connection between the two, writing letters and shipping certificates of stock across State lines, constitutes interstate commerce. I submit that that case is in no sense authority for such a contention.

Mr. President, I have detained the Senate much longer than I had intended, although I have not covered the bill as completely as I should have liked to do. I particularly wish, however, to call attention to section 30 of the bill, found on page 89. That section provides:

SEC. 30. The Federal Power Commission is authorized and directed to make studies and investigations of public-utility companies, the territories served or which can be served by public-utility companies, and the manner in which the same are or can be served, to determine the sizes, types, and locations of public-utility companies which do or can operate most economically and efficiently in the public interest, in the interest of investors and consumers, and in furtherance of a wider and more economical use of gas and electric energy—

And so on.

I call attention to section 201 (a), page 116, to show that the provisions of this part of the bill shall apply to the transmission of electric energy in interstate commerce, to the sale of electric energy at wholesale in interstate commerce, and to the production of electric energy.

Yesterday I pointed out, by quoting three opinions of the Supreme Court—and I think there are many others—that the production of electric energy is wholly an intrastate matter and not subject to the control of the Congress.

Mr. President, I shall not read section 202 (a), found on page 118, but I direct particular attention to it, because it seems to me that in that section we get an idea of what is really back of the bill and what its proponents hope to do if the bill can be enacted and can be declared to be constitutional. It is headed "Interconnection and Coordination of Facilities", and reads:

For the purpose of assuring an abundant supply of electric energy throughout the United States, with the greatest possible economy and with regard to the proper utilization and conservation of natural resources, the Commission is empowered and directed to divide the country into regional districts for the interconnection and coordination of electric facilities. Each such district shall embrace an area which, in the judgment of the Commission, can economically be served by such interconnected and coordinated electric facilities. With each such district and between such districts such interconnection and coordination shall, as far as practicable, be secured by voluntary action of the private and public owners and operators of such electric facilities, under the supervision and direction of the Commission. Before establishing any such district and fixing the boundaries thereof the Commission shall give notice to the State commission of each State situated wholly or in part within such district, and shall afford each such State commission reasonable opportunity to present its views and recommendations, and shall receive and consider such views and recommendations.

That is what the State has to do with it. The State commissions are to be notified, and the State commissions are to be given an opportunity to make recommendations, and this measure distinctly provides that the Federal Commission "shall receive and consider such views and recommendations." Then it is provided that—

Upon complaint by any State commission or public utility, the Commission, after notice and opportunity for hearing and after a finding that such action is necessary or appropriate in the public interest, may by order direct a public utility subject to the provisions of this act to establish physical connection with the facilities of any other public utility or to sell energy to or exchange energy with any such public utility. The Commission may prescribe the terms and conditions of the arrangement to be made between the persons affected by any such order, including the apportionment of cost between them and the compensation or reimbursement reasonably due to any of them.

Mr. President, while the testimony shows that less than 17 percent of the electric energy used in this country now goes across State lines, here is a bold attempt to undertake to put the whole country, so far as serving the public with electricity is concerned, into one system, namely, a Federal system.

The next section provides that during the continuance of any war in which the United States is engaged, or whenever the Commission determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, the Commission can compel the interchange of electric facilities and the doing of all kinds of things along that line without the consent of anybody.

Mr. President, I have not discussed section 11 of the bill, and what I consider its violation of the fifth amendment.

The question raised by the analysis of the proposed act would cause one to reach the conclusion, first, assuming the existence of holding companies which have not been guilty of the alleged evils and which have not been concerned with the alleged problems set forth in section 1 of the bill, can it be said that the abolition of these holding companies is necessary to accomplish the objects of the bill, namely, to meet these problems and eliminate these evils? Can anyone say that the abolition of these holding companies which have not been guilty of the alleged evils has a real and substantial relation to the elimination of the evils?

Assuming, next, the existence of holding companies which have been guilty of the alleged evils or are concerned with the problems set forth in section 1, does it not go beyond the necessities of the case to abolish these companies, if by appropriate regulation the elimination of these evils may be accomplished?

The bill itself, in section 1 (c), makes clear that the elimination of holding companies is not one of the objects of the bill, but is merely a means of effectuating the policy of meeting the problems and eliminating the evils connected with some public-utility holding companies. The determination of the policy and the method by which that policy is to be effectuated is a matter for the Congress, but the decision as to whether the means selected by Congress for the effectuation of its policy is appropriate and lawful under the due-process clause is a question for the courts. Can it be said that a law is not unreasonable when it requires abolition, if its objects may be fully accomplished through practicable regulation?

Moreover, if abolition of the holding company be regarded as a reasonable and necessary means of eliminating the evils connected with the public-utility holding company, then is it not inconsistent to provide that in some circumstances holding companies may be permitted to survive? If elimination is considered as the only practicable and reasonable means of accomplishing these objects, then is it not necessary that all holding companies be eliminated and abolished, at whatever cost to the investing public?

May it be claimed that the objects of the proposed bill go beyond merely to meet the problems and eliminate the evils connected with the public-utility holding company as enumerated in this section, in spite of the declaration to this effect? If the bill is not merely intended to eliminate the evils and abuses which it is alleged have occurred in this industry, but, rather, regroup the public-utility systems of our country into economically and geographically integrated systems, then the question of the due-process clause would again be whether elimination of the holding company is a reasonable and necessary means for meeting the evil.

Mr. President, I have taken too much of the time of the Senate, but it would take a much longer time to cover the subject thoroughly. I shall listen with a great deal of interest to those who contest the arguments I have made as to the unconstitutionality of the proposed act.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lewis	Reynolds
Ashurst	Costigan	Logan	Robinson
Austin	Couzens	Lonergan	Russell
Bachman	Dickinson	McAdoo	Schall
Bailey	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barbour	Duffy	McKellar	Shipstead
Barkley	Fletcher	McNary	Smith
Black	Frazier	Maloney	Steiwer
Bone	George	Metcalf	Thomas, Okla.
Borah	Gerry	Minton	Thomas, Utah
Brown	Gibson	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Guffey	Murray	Truman
Burke	Hale	Neely	Tydings
Byrd	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatch	Nye	Wagner
Carey	Hayden	O'Mahoney	Walsh
Chavez	Johnson	Overton	Wheeler
Clark	Keyes	Pittman	White
Connally	King	Pope	
Coolidge	La Follette	Radcliffe	

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

Mr. BONE. Mr. President, at the outset of my brief remarks on the holding company bill I desire to digress to pay a tribute to the Senator from Montana [Mr. WHEELER], the able and conscientious Chairman of the Committee on Interstate Commerce, who has had the bill in charge and who has handled it through its various parliamentary stages. His labors on this bill have been exacting and painstaking, and his always evident fairness in the face of the determined fight waged against the measure has impressed those who have been privileged to work with him.

Not only do I admire his ability and parliamentary skill, as evidenced in the work on this bill, but much more deeply do I appreciate his stanch loyalty to progressive principles. The poor and the defenseless have a real friend and capable leader in the person of the Montana Senator.

Mr. President, anything I might say on this floor may have little effect on the vote on this bill, which impinges so forcibly on powerful interests which have become the greatest political machine ever created under the American flag. The people of this Nation have been regaled with stories of the

railroad manipulation of politics, but in their palmiest days the railroad kings were cheap pikers compared to the clever, ruthless, and financially free-handed political manipulators of the Power Trust. Compared to them, all the so-called "lobbyists and political fixers" of all time are as moonlight unto sunlight and water unto wine. Trying to pass legislation that in any wise adversely affects the operations of the Power Trust is a vertitable labor of Hercules. The propaganda machine of the power combine can spend money without regard to amount. Like another Caesar Augustus, it need only send forth the edict that the whole Nation be taxed, and it is done—taxed to supply the sinews of war to battle any sort of legislation or regulation, or to eliminate competition from public plants. I know from long experience how this vast and far-flung machine of political extermination can frighten men; how it can make public men bow in stark fear and smother the impulse to be true to public interest. The timid man in public life is safe from this merciless machine. Over the years a great many of them have assured me that my professional life would be ruined and I would be discredited were I to continue to challenge the right of the Power Trust to own my State politically—which it did for years. The most astute and practical politicians in the State of Washington who managed to keep on terms of friendliness with the power combine, by treading softly, and who happened to be my friends, have often assured me that no political machine ever created remotely approached in efficiency and spending capacity the power machine. For years, in my State, it was the invisible government, the power which moved behind the political stage settings. It made a mockery and travesty of government there. It tried and almost succeeded in grabbing and forever holding the matchless water-power resources of the great State of Washington—nearly one-fifth of all the water power in the Union. What a heritage to turn over to exploiters—a heritage, which properly safeguarded and properly utilized, would bring heat, light, comfort, and cheer into hundreds of thousands of homes at a price which makes eastern light and power rates not only seem but actually be highway robbery; not grand larceny but glorious larceny.

It is imprudent to assail this political undercover agent which destroys its victims. It is an agency which, like the Roman Emperors, maintains a proscription list, therein stamping itself as the most un-American and dangerous thing under our flag. This sort of a power threatens the stability and integrity of organized government. It has not only built up holding companies to manipulate its own empire of wealth but as a culmination of such activities it has built up a veritable holding company to control, or try to control, the functions of government in the 48 States of the Union. Now it is here in Washington telling the Congress of the United States that it will not tolerate any attempt at Federal regulation. But if it be important for any of us to take up the cudgels against this octopus, we may possibly find some consolation in Lord Beaconsfield's splendid maxim, "It is better to be imprudent than servile." So with no illusions left as to the ends sought by this undercover government, which taxes us as fully and completely as any public agency created by the people and presumes to make and unmake men in public life, I proceed to discuss the power issue and one or two phases of the pending bill.

I have examined the briefs filed by the representatives of the holding companies containing their objections to this bill. Some of the arguments in these briefs tacitly admit many of the abuses charged in the Federal Trade Commission reports, and they have weakly endeavored, through ambiguous and evasive arguments, to convey the idea that the vices to which the Commission objects, become galvanized and garnished into real virtues when practiced by one of these holding companies. The argument is made that—

> These preferred stocks were issued in full conformity with the accepted customs of the times and in compliance with the spirit of existing laws.

That, Mr. President, is precisely the point. Faulty regulation, coupled with laws full of jokers and blowholes, enabled clever lawyers to suggest perfect safety for their clients in issuing floods of securities which would be in full conformity with the accepted customs of the times and in compliance with the spirit of existing law. If there was any spirit in existing regulatory laws, it was as futile to invoke such a spirit against the holding company or the average utility as to employ a popgun against a battleship. State regulatory bodies, when they tilt their broken lances against the power octopus, present a splendid example of a bobtailed woodpecker "taking a fall" out of an oak tree.

The holding companies challenge us with the statement that power rates have fallen over a period of years. All this, we are told, was due to the generosity of the private utility organizations. The argument generally stops at that point and completely ignores the fundamental cause of price trends in the electrical industry. It is true that for 30 years there has been a progressive downward trend in the average rate paid for electricity, but to any student of the electrical industry the cause is obvious. Thirty years ago the only outlet an electrical plant had for its product was a few incandescent lights and the limited use of electrical motors.

Scientific development in this particular field ensued, and, as modern electrical devices came into use, a greater demand was made upon the power plant for its product. This naturally was accompanied by increased earnings. The wider diversity of use, the greater advancement of the art, the more pronounced was the downward trend in the cost of electricity. We entered what was known as the "electrical age." Homes became modernized, freely using electricity for cooking, water heating, refrigeration, air conditioning, and employing a wide variety of domestic appliances. In 1920 the average annual use per residential customer was less than 300 kilowatt-hours. In 1934 it was approximately 630 kilowatt-hours. The real cause of the downward trend in the cost of electricity is directly attributable to the wider use of the product rather than to any virtue of the holding company. There was no resisting this evolutionary force in business.

Mr. President, I now wish to digress for a moment and to point out to my colleagues one practical illustration of the thing I have just mentioned, namely, the enhanced use of electricity.

The average domestic use of electricity in this country is, as I have indicated, 630 kilowatt-hours per year. That is a little over 50 kilowatt-hours a month. In my own city of Tacoma, which has a municipal plant, representing, I think, the finest example of financing and of hydraulic and electrical engineering in this country, the average domestic use is over 1,550 kilowatt-hours a year or approximately 130 kilowatt-hours a month. That is about two and a half times the national average. We may well ask ourselves why it is that in the city of Tacoma, a normal, representative American city, the average home uses two and a half times as much electrical energy as is used in the average normal American home outside the city of Tacoma. There must be some logical explanation for that phenomenon, and there is. That explanation is evidenced by one word. That word is price.

Perhaps from 75 to 90 percent of the electric energy consumed in many homes of Tacoma costs the home owner about 1 cent per kilowatt-hour. Practically all the current used in the range, in accessories of any kind in the city of Tacoma, comes to the home owner at a price of 1 cent a kilowatt-hour. Yet that city has been an outstanding example not only of successful operation from a mechanical and technical standpoint but from the standpoint of plant earnings. It gives its people the cheapest rates in America.

There is a still further example of what it means to step up the consumption of energy in the homes. In the illustration I am about to give we find the record of the privately owned power system of this country presenting a very somber contrast. The city of Winnipeg, Canada, has an average domestic consumption of over 4,000 kilowatt-hours per year. The answer the Winnipeg plant presents to the people of this country is again the one word—price.

Mr. NORRIS. Mr. President, will the Senator yield there?

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Washington yield to the Senator from Nebraska?

Mr. BONE. I am very happy to yield to the Senator from Nebraska.

Mr. NORRIS. Let me say to the Senator also that the average price of electricity for residential customers in Winnipeg is, as I remember, 8 mills per kilowatt-hour, and the average consumption is greater, as the Senator has said, on account of that price than the average consumption of any city of like size in the world.

Mr. BONE. That is correct. The answer, Mr. President, which constitutes in itself a challenge to the privately owned power systems of this country, is in cities like Tacoma, my own city, and Winnipeg.

My own city has been in the power business for 40 years. There is not a single phase of the electrical business that my city has not experienced, and that experience constitutes an absolute and unanswerable challenge to private ownership of power. We not only have experienced every practical phase of the power business that goes with the mechanical and financial development of a plant but, unhappily, we have had to experience in that city all the bitterness that goes with a brazen effort to destroy the plant by political manipulation. So when I discuss the electric business from the standpoint of my own city, I am talking of something about which I know, for I have lived in that city since I was a little boy, and have lived through nearly all that fight to develop our fine municipal power system.

Can it be assumed that people in other cities of this country do not want electric energy to the same degree that the people of Tacoma and Winnipeg, Canada, want it? The question answers itself. In the city of Tacoma, a city of approximately 110,000 people, thousands of electric ranges are in use. The housewife in the city of Tacoma may go about the kitchen and push buttons and this great giant of modern science performs most of the work. But go into the average American home in eastern cities and there will be found very few electric ranges. I suspect that there are more electric ranges in the city of Tacoma, with its 110,000 population, than will be found in some of the great eastern cities with perhaps two or three million population. I think that is a fair statement. Yet the people in those cities are home-loving and ambitious Americans; they have the same impulses; the housewife has the same wholesome desire to have in her home those things which would eliminate drudgery and hard work as has the housewife in Tacoma. Why are these people deprived of the opportunity to enjoy what we in the western city in which I live enjoy so freely? The answer is that the Power Trust of this country, private ownership as typified by the operations of the Power Trust, has made it impossible for people in hundreds and thousands of American cities to enjoy what we in Tacoma so freely enjoy and what the Canadian living in Winnipeg so freely enjoys. There is no more reason why the housewife in Philadelphia should not have an electric range than there is that the housewife in Tacoma should be deprived of an electric range.

I recall talking to Jim Maurer, secretary of the Pennsylvania State Federation of Labor, a few years ago, when he happened to be in the West. He told me that he had made some studies of costs, in the city of Philadelphia, I think it was, and he said that at that time it would cost a poor girl in an apartment as much to operate a little electric plate with a couple of small, perhaps 1,500-watt, heaters as it would cost the average home owner in Tacoma to operate an electric range.

That will give some idea of why the power companies are grimly determined that there shall be no slashing of their ungodly and unholy rates, which in themselves constitute a damning indictment of the business which imposes such an outrageous tax on the home owners of the country.

Mr. President, a great many people have misconceived wholly the effect of this sort of indirect taxation. We read many newspapers which constantly regale their readers with a discussion of the frightful tax burdens under which the American people live, labor, and have their being. The indictment is true in many respects; but many of these newspapers very coldly, very studiously, and very deliberately gloss over the fact that there is an invisible and undercover government, the utility government, which imposes nearly as much tax on the homes of America as does the agency which we call "organized government", which we impose upon ourselves in order that we may enjoy the blessings of organized government. If the people in Tacoma, using the same amount of current they now do, were compelled to pay the frightful prices exacted for electric energy in the great eastern cities, the city of Tacoma, from the revenues of its light plant, could be a taxless city. I suggest that comparison because I want my colleagues to understand the relationship between light rates and taxes. I have used that illustration hundreds of time from public platforms.

As the chairman of the committee has said, the so-called "elimination section, section 11", is the very heart of the regulation provided for by this bill. Because, unless through section 11 we manage ultimately to reduce the giant holding companies to a size and power where public servants can handle them, all the other regulatory provisions in the bill are just a shower of confetti. The power companies say they will be good, that they want minor regulation, if we only will not be realistic and put them in the category where they belong.

But the attitude of the witnesses of the committee of public-utility executives on the specific regulatory sections has been a warning of the essential unwillingness of the holding companies to cooperate without compulsion in the reforming of abuses which they themselves, so far as lip service is concerned, admit require reforming. Let me give you an example of just what I mean, from the criticism which the committee of public-utility executives has directed toward section 13 of the bill dealing with service and management contracts. I offer this example not only to demonstrate the under-cover attitude of the opponents of the bill toward adequate regulation, but also to point a warning as to the dangers lurking in innocent-looking amendments they will ask us to put on this bill.

One of the most dangerous practices of holding companies is the so-called "service contract", in which they compel their subsidiaries to agree to let the holding companies furnish the subsidiaries with every kind of management, construction, supply, fiscal, legal, auditing, tax, and other services ingenuity can devise. On this kind of contract, forced on the subsidiary through the holding company's control of the management of the subsidiary, the holding company makes a profit—varying in exorbitance with particular companies. The Federal Trade Commission has reported that in two sample years of 1927 and 1931, Electric Bond & Share collected service fees of this kind which gave a profit in 1927 of 113 percent upon the cost of the services rendered, and in 1931 a profit of 103 percent. The Commission also reported that even in 1933, after the Bond & Share management had begun to order the passing of dividends on preferred stocks of subsidiaries, its service contracts, maintained even with the subsidiaries passing preferred dividends, gave Bond & Share a profit of 32 percent.

This kind of unconscionable tribute became so notorious during the course of the Trade Commission's investigation, and cases before the Supreme Court, that one or two of the holding companies represented on the committee of public-utility executives, even before this bill was introduced, had decided it was politic to abandon this sort of profit. They, therefore, organized mutual companies to perform such services for their operating subsidiaries—service companies theoretically owned by the operating companies so that any profits made out of the services eventually came back to the operating companies from which they were taken. It was a real step forward—voluntarily taken by one or two holding companies before the introduction of this bill. The draftsmen of this bill adopted the idea and require in section 13 of this bill that the same principle of nonprofit service contracts performed by mutual companies be adopted wherever services for holding-company subsidiaries were not obtained from independent contractors.

Now, as a matter of common honesty, how—if the holding companies were sincere in their advocacy of "strong, sound, reasonable regulation"—could any company represented on the Committee of Public Utility Executives speak against section 13—a fundamental reform patterned after practices of members of their own group? At least, how could the representatives of those particular companies which had already adopted the mutual-service principle, like Commonwealth & Southern, speak against section 13, even if for reasons of general opposition strategy they wanted to maintain a solid front against the whole bill with other holding companies like Electric Bond & Share, which has always taken large service profits out of its subsidiaries?

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Montana?

Mr. BONE. I yield.

Mr. WHEELER. Several have suggested to me that we ought to amend the bill to let the Commission determine what companies are bad and what companies are good, or by setting up some standard providing "If you do so and so, then you will be dissolved." Let me ask the Senator if he sees any possibility of working out a means which would cure the evil in that way?

Mr. BONE. Mr. President, I doubt if there is any possible approach to this problem that constitutes anything but a sham and a delusion except through the modus operandi provided by the bill. If we are going to be lily-fingered in dealing with the abuses which have been so thoroughly aired by the Federal Trade Commission during the years, manifestly anything less than the provisions of this bill will be futile. We have 48 independent States in the Union, and if they, shorn now of the legal right to regulate the abuses sought to be reached by this bill, are left to their own devices, circumscribed and hedged in by the restrictions which naturally go with the status of statehood, we might as well give up any hope of doing anything to cure the abuses.

I think the Senator's question almost answers itself. I cannot see any possible mode of approach to this situation except through a bill of this character. I am frank to say I do not have a great deal of regard for regulation. I think that at its best, regulation is a futile thing. I think the very moment we undertake to regulate a business where the possibility of such vast, gigantic profits exists, no matter how strong a regulatory bill we draw, we will find the power companies trying to do what they have done so successfully in many of the States, and that is, virtually regulating their regulators. It is very difficult to draw regulatory legislation which will reach these evils.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. BARKLEY. If the stock in each separate corporation, all of which is based on the operation of an operating company, should be entitled to a fair return in the way of dividends, how can we ever regulate four or five companies, all drawing their sustenance from a single company or a number of operating companies, in a way that will be fair to the consumer? If any sort of regulation is based on the theory now in vogue in the Interstate Commerce Commission under the direction of Congress, that such rates shall be made as will bring a fair return upon the value of the property used for transportation, and it can be contended that four or five pyramiding companies, all of which have stock scattered all over the country, shall be entitled to a dividend upon that stock, how can we regulate all those concerns so as to do justice to the consumer who, after all, is paying the bill?

Mr. BONE. It simply constitutes a legal impossibility. Any other mode of approach than we have attempted through this bill, if we are going to cling to regulation and not go to public ownership, is wholly futile. We are going to bunk and deceive the American people if we tell them we have regulated these evils out of existence when we have not done it at all. It is only a futile gesture, an idle gesture, to attempt to get at it in any other way than through the method we have adopted in the bill. We cannot, without outraging them, impose on the ratepayers the exactions and burdens which have been imposed upon them before when these holding companies have drained off all the profits, as indicated by the Senator from Kentucky.

One interesting thing, and I am not sure it has been made plain on the floor of the Senate by the Senator from Montana [Mr. WHEELER], is the fact that the people of the country, the home owners of the country, the business interests of the country, have actually more money invested in the power business than all the utilities. If we listen to the arguments here made we would be inclined to think this outfit is not only sacrosanct and that we outrage heaven itself by attempting to regulate it, but that all the money invested in this entire business has been invested by the utility companies. But the homes and the business men of the country have actually invested more money in this business through home and business equipment to use electricity than the utilities themselves in their own plants. They pay all the bills, and it is just and right for some spokesmen to blast the argument of the utilities here. That great body of the people remains inarticulate on the floor of the Senate. If we attempt to do anything to help the consumer we are assured that we undertake some dire and awful thing. I do not believe the angels in heaven will wear their wings at half mast now and for evermore if we lay hands on this power octopus and make a feeble attempt to protect the rights of the little fellow who has bought an electric range, the business man who has put in a motor or a transformer, when these same people have nearly a billion dollars more invested in the means whereby they use electricity than the power companies themselves have invested in their plants.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. NORRIS. Referring to the Senator's remark a few moments ago with reference to Tacoma rates, if the Senator will permit me I should like to refer at this point to a speech of the Honorable JOHN RANKIN, a Member of the House of Representatives from Mississippi, which appears in the RECORD at pages 8349–8350. He submitted figures showing that if the residential consumers of the United States paid the same price for electricity that is paid in Tacoma, Wash., they would save $266,416,000 a year; that if the commercial consumers paid the same rate all over the United States that is paid by commercial consumers in Tacoma, they would save $241,428,000 in a year, and that the industrial consumers, if they paid the same rate all over the United States that is paid by industrial consumers in Tacoma, they would save $270,054,000 a year.

Mr. BONE. I think also that speech by Representative RANKIN shows that according to his computations—and I think they are fairly accurate—if the people of the United States were permitted to enjoy the Tacoma rate, they would save almost a billion dollars a year in their light and power rates.

I desire, Senators, to have you realize just what that means. We juggle this bill, and we talk about this power outfit as though the very future of the Republic depended on private power companies. If the people of this country enjoying Tacoma's rates could in something over 12 years, in the saving on rates, write off every private power utility in this country, I do not know why we should regard that outfit as sacrosanct. On the contrary, we are dealing with a business that is making so much money that it has done exactly what has been charged against it: It has gone into politics and ruined men to protect these huge profits. I have seen men in my State go down and out because they had incurred the displeasure of the power combine.

I desire to digress just an instant to point out a little thing which shows how careful an outfit of that kind can be.

I have here, and I hold up for the inspection of Senators, two geographies. I want Senators to look at them. I want Senators to know what kind of an undercover agent provocateur this outfit is.

Here is a little geography published for the use of my boy and all the other little boys in the State of Washington. This funny work I refer to was done to please an outfit that comes down here and yells and bellows to high heaven about

being made a political football. Here is an advanced geography bearing date 1927, and contains an innocent little reference to water power in the State of Washington—a State whose water power is worth billions of dollars, every foot of which has been filed on by the Power Trust of this country, including Stone & Webster and Electric Bond & Share. I am going to read this little statement; and ask you to note how these clever power boy politicians changed the innocent language of this book so that it would not affect the minds of little boys like mine out in the State of Washington, to a point where they might think it proper and desirable for these little boys and their sons to hold onto our matchless water-power resources.

The importance of the conservation of water power and the retention of power sites in the State cannot be overestimated.

I repeat the language:

The importance of the conservation of water power and the retention of power sites in the State cannot be overestimated. "Timber must not be taken off the watersheds too rapidly"—

And here is the important language—

and great care must be taken that large companies do not secure a monopoly of our water sites.

In other words, do not give a private corporation a monopoly of the water-power sites. That was sound advice to these future citizens.

Is there anything wrong with that advice? Is there a man on the floor of the Senate who will say that it is right to give a private corporation a monopoly of the rivers and lakes of a State? All the genius of man from the dawn of time, all the engineering skill, and all the science in the world, cannot create another Snoqualmie Falls in my State or bring about the configuration of the earth that made possible Snoqualmie Falls. Why, in God's name, should we give it to the Electric Bond & Share Co., or Stone & Webster, so that they may wrench tribute out of the people for generations yet to come?

But they did not like that allusion to "monopoly" in the water power of my State; and so this great octopus, this thing that reaches its slimy tentacles down into the schoolbooks of the State of Washington as well as other States, and by this one thing has proven every charge made against it before the Federal Trade Commission of dabbling around in schoolbooks and perverting and debauching the text of our schoolbooks, went somewhere—God knows where or how—and had that language stricken out, and this language substituted—just a little change. Senators, listen to this substituted language, and I should like to have any of you who is curious take these two books and put them side by side and read the two brief passages so that you may see for yourselves, the clever juggling of textbooks to protect private monopoly.

The importance of the conservation of water power and the retention of power sites in the State cannot be overestimated. Timber must not be taken off the watersheds too rapidly, and great care must be taken from now on so that the watersheds shall be developed only in that manner which shall secure to the State the greatest and most lasting benefits possible.

See how innocuous that language is!

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. BARKLEY. What is the date of issue of the later of those books?

Mr. BONE. The later book was issued in 1929, 2 years after the Power Trust discovered the awful advice to our children.

Mr. BARKLEY. Who changed the wording?

Mr. BONE. The power companies of the State had the wording changed. No other agency would have had any possible reason or motive for debasing the text of this book in this one slight respect.

Mr. BARKLEY. I know; but who publishes the book?

Mr. BONE. The book is a McMurry & Parkins Geography, published by the Macmillan Co.

Mr. BARKLEY. Is that the geography which is adopted by the school authorities in the Senator's State?

Mr. BONE. Yes. These books were shipped to me. I saw them, and used these books in a campaign in 1934.

Mr. BARKLEY. Did the school authorities know that this change had been made when they adopted the 1929 issue?

Mr. BONE. Oh, I suspect that probably the people who employed these books were not aware of this slight but significant change in the text. It is only in one paragraph; but it reveals how closely this power crowd, this undercover political machine that has been running the politics of my State and the other States, watches these schoolbooks. Even to the point of picking out and isolating a little paragraph in this geography has this political machine tried to debauch the thinking of little children in the State of Washington!

I should like to have all the Members of the Senate look at these books. That is a startling example of manipulating the text of schoolbooks of the country.

Going back to the matter which was mentioned by the Senator from Nebraska [Mr. NORRIS], I desire to repeat that something over 12 years' savings, under the Tacoma figures used by JOHN RANKIN in the House, would write off all the private utility properties of this country. We could write them off and amortize them in 12 years. Now, let us see if that is an impossibility. I am going to tell you, gentlemen of the Senate, an experience—a very practical experience—which my own city had; not a mere theory of saving, but a very practical experience.

The city of Tacoma decided a few years ago that it would build a hydroelectric plant on the Nisqually River; and a very great rumpus was raised by private power companies because the city proposed to build this hydroelectric plant. I wish I dared take the time to read some of the newspaper articles which appeared at that time; "viewing with alarm" was the burden of the many articles written by ponderous writers for the Power Trust. We were told that if we built this $2,000,000 power plant we would swamp the city of Tacoma with debt; we would never pay for the power plant, although we owned our own distribution system. Here is one statement which was made, and which I have used in later years, for one may always take the statements of power companies and use them later to the very great disadvantage of the power companies, because of their lapses from the truth. They said:

The city of Tacoma will be willing to sell this big "white elephant" for 30 cents on the dollar in a few years.

I have that story before me as I speak.

Private power companies were building hydroelectric plants all around there, and no one suggested that the private power companies would want to sell their "white elephants" for 30 cents on the dollar in a few years.

This is what happened to the city of Tacoma and its "white elephant"—a thing which in itself is an unanswerable challenge, a thing that I followed with intense interest.

We issued $2,000,000 in bonds to pay for that plant. Under the law we were required to pay off those bonds serially, so many of them every year. This bond issue extended over a period of 20 years. A certain block of the bonds were to be paid off each year during the 20-year period. At the end of 12 years the city of Tacoma had paid off year by year every bond which had then matured and had enough money in the sinking fund to take care of the remaining 8 years of bonds which were yet to mature; and during the twelfth year of operation of that plant the city of Tacoma made in net profits on its system nearly 50 percent of the cost of the Nisqually plant.

I would rather own a good power system than the best gold mine on earth, because power is a prime necessity. Electrical energy is the very lifeblood of our home and economic system. The gold mine may become exhausted, but the water flows on forever. When we allow private corporations to capitalize gravity, as they have done by seizing the water-power resources of the country—capitalize gravity, harness gravity, if you please—and draw profits forever out of something they did not create, and which all the genius

of their engineers could not create, we commit an unpardonable offense against coming generations, to whom these resources belong and for whose benefit alone they should be utilized.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BONE. I yield to my colleague.

Mr. SCHWELLENBACH. The Senator has referred to the payment of these bonds. The Senator has followed the operations of private power companies for a number of years. Has he ever heard of any private power company paying a bond out of earnings, or doing anything else than refinancing through the medium of the issuance of new bonds?

Mr. BONE. No. The whole system of private ownership of power is predicated on the theory of retaining the capital structure intact for the purpose of affording an investment. That would not be so bad if the investment were a reasonable investment; if it were predicated on real values; but the trouble is that the rate bases of private companies are pumped full of wind and water, intangibles and imponderables, until they resemble a Joseph's coat of financial manipulation.

Mr. NORRIS. Mr. President——

Mr. BONE. I yield to the Senator from Nebraska.

Mr. NORRIS. I think the question of the Senator's colleague deserves a little fuller answer than the Senator has given. I may be wrong, but as a result of my study of the question I do not know a single instance where a private company has sought to reduce its capitalization; but, on the other hand, it is constantly clamoring with the authorities of government to increase its capitalization and make it larger. The private companies do not pay off their capital structure. They make it bigger.

Mr. BONE. I think the suggestion of the Senator from Nebraska is correct. I probably did not answer fully enough; but the trouble is, I proceed on the assumption that everyone here is familiar with the method of financing private power plants, and I sometimes overlook the fact that there are many people in the world who are not so much interested in that subject as I am, or others who live in the State of Washington, where great power battles have been carried on for years, because Washington has been the battle ground of power in this country. The people of my State are power conscious. They know what it means, and they cannot be fooled any longer by the involved financial set-up of power companies. Private power companies never retire their funded debts. They never retire stock and bond issues. They keep them outstanding in perpetuity. If a bond issue matures—as it must, of course—it is merely called in and paid off by issuing another series of bonds, which are sold, and that money used to discharge the first bonds. That process goes by the name of "refunding", and that is why there is no hope of ultimately giving the people of this country a fair deal in the matter of rates.

I know that when I use the term "fair deal" with respect to the capital structure of private companies, I may be challenged by those whose views are different from mine, and so I desire to give a practical illustration on this point. I never like to make an argument unless I have something to offer by way of a practical alternative. I am going to be very practical and state just what that alternative is. In doing that I again draw on my own city and its experience for my argument.

My city has a plant which I think, measured by standards of private-company value, is easily worth $30,000,000.

Its plant value, as carried on the books, is somewhere around $23,000,000, but that is a depreciated value; and I think that if that plant were privately owned it would have a rate base of at least $30,000,000, and possibly more. If it were in the East, I shudder to think what the rate base of the Tacoma plant would be. It would probably be thirty-five or forty million dollars.

This plant today owes, due to the enormous expansion in recent years, something over $7,000,000. By the year 1936 the city of Tacoma will be paying close to a million dollars a year in principal and interest in the amortizing of that debt. One does not have to be a lawyer or a financier to get the grim significance of that. I certainly would not like to make an argument of this kind if I did not think that every Member of the Senate, many of whom are very able lawyers and good businessmen, could understand the significance of that sort of financing. In a few years every dollar of that capital debt will be paid off, and then Tacoma will have a $30,000,000 plant without a dollar of investment left in its capital structure. The city will own this magnificent system, debt free.

A few years ago I made an examination of the financial set-up of a private company operating in that section of the country, and found that it had outstanding in stocks, bonds, notes, and debentures around $400 per horsepower. It either has to pay interest and dividends on that $400 per horsepower or default, and probably be threatened with insolvency proceedings, especially if bond interest is defaulted.

What is going to happen when Tacoma does not owe a single dollar against her plant and this private company stands there in the same section of the country owing through its stock and bond issues—and the capital issues of a company, of course, are debt—$400 per horsepower on which they must forever pay interest and dividends, on the theory so well expressed by my colleague, the junior Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Nebraska [Mr. NORRIS].

There we have the two opposing theories, as far apart as night and day, as contradictory as the doctrines of infinite love and infant damnation. Tacoma could go out and sell power anywhere around the State and not have to pay interest and dividends on $1 of investment; carry merely the bare operating cost of the plant, plus a reasonable item of depreciation. But the private plant doing business under the same flag and under the same set of laws, has to earn interest and dividends on $400 per horsepower, or default, as default is understood in private business practice.

What do Senators think of that sort of set-up? Which is the more logical method of handling a business that is so vital to the people? Which system do Senators think is the better for the consumer, who has more money invested in the light and power business than the private utilities have?

But do not assume, because I suggest these things, that I think the pending bill is not a desirable bill. It is a desirable bill. The bill seeks to regulate the private holding company business and not to destroy it, despite what has been said. When I hear the suggestion that the bill is going to destroy the operating utilities I cannot understand how my colleagues here refrain from raucous laughter. That is merely another of those rather pudgy bits of humor which have been fed to the American people for years, until it is no wonder that they are rising up and revealing that they are getting tired of indirection and misinformation.

If private utility companies would cling to the truth they would get along better. I am going to digress again to show how a private power company by not hanging to the truth can get into trouble.

I have in my files an advertisement issued by the power companies in my State in 1924. A power bill was pending before the people of that State to be voted on in an initiative fight. The power companies are presumed to be headed by honorable men. I suppose we have to assume that in order to argue this power question at all, and I made the blunder of assuming that the power companies were headed by truthful men who would not resort to what they did. They will have to pay the price for not clinging to cold facts in defending themselves. They are paying it now in the creation of a great public ownership sentiment in the State of Washington and elsewhere. They alone are responsible for that.

In 500,000 pamphlets which they circulated in 1924 in the State of Washington, thinking they would whip me and everybody else opposed to them, and that that would be the end of the story, they said in substance, "If this bill promoted by Homer Bone becomes law $300,000,000 worth of our property will go off the tax rolls."

That frightened all the little home owners. They said, "This is terrible. Our cup of misery overflows and we may never smile again if this bill becomes law." And these voters went to the ballot boxes and voted down the proposed law by a substantial majority. It is now on the statute books due to exactly the sort of practice I have just described.

The people of the State of Washington had a right to believe that an honorable gentleman heading vast corporations would not lie to them. They had a right to believe that the private Power Trust had $300,000,000 on the tax rolls, and that the Bone bill would take it off, and that little taxpayers would be injured.

What were the facts in connection with that? When Senators understand these facts they will appreciate why Washington State is not only a battle ground over power, but will continue to be.

I know a little about the question of taxes because I was for many years the counsel for a public body in that State. In the year 1923 the Power Trust of the State of Washington, that is, all the private power companies, paid to the State and to its political subdivisions a total tax of $661,568. The average tax that year in the State of Washington was 70 mills; that is to say, the average tax paid all over the State was 70 mills, and that was figured on the assessed value of probably 46 percent of the true market value because they do not assess against the true market value in the State of Washington.

The taxes paid by all the private power companies in the State to the State and its political subdivisions represented a 70-mill tax on a total property value of only $9,450,000. I do not know whether any Member of the Senate has made an argument about how much taxes these fellows pay. Will the Senator from Montana advise me whether such an argument has been made on the floor of the Senate?

Mr. WHEELER. I do not think so.

Mr. BONE. Here is an example of a power combine in my State boldly claiming to have $300,000,000 of property on the tax rolls, yet only paid the normal tax on a total value of $9,450,000. I have used that argument from hundreds of platforms, and the people of the State of Washington, a people with a high regard for the truth, would probably not have sent me to the Senate if they had thought that I was attempting to deliberately mislead them by resort to baseless arguments. But there was no misleading, because these are the facts. Here were the power companies paying taxes on one thirty-second of the value of the property they claimed they had on the tax rolls, and if any of the Senators present are curious to see it, I will show this advertisement which the power companies issued.

The argument employed was that if I were successful, $300,000,000 would go off the tax rolls. If I had been successful and all of their property shown on the books had gone off the tax rolls, the people of the State of Washington would have lost taxes on a value of only a little over $9,000,000, instead of $300,000,000.

Mr. President, the city of Puyallup, a city named after an Indian tribe, located near the city of Tacoma, decided a few years ago to condemn the distribution system in that city owned by the Puget Sound Power & Light Co. They went into Federal court in Tacoma to carry on condemnation proceedings. The vice president, as I recall, or one of the chief executives of the company, went on the witness stand and testified that this distribution system was worth $450,000 at least, and was earning a substantial return on that amount. Out of curiosity I went to the county assessor's office to find out the value of this property for taxation purposes. I suspect there is not a Member of the Senate who could guess what that company was assessed for taxation purposes. This $450,000 privately owned electric distribution system was on the tax rolls at a value of $15,000, or one-thirtieth of the value claimed by the owner.

Mr. President, I fear I have digressed too much from what I desired to say, and from now on I shall attempt to confine myself to my original purpose of discussing the section relating to service contracts.

The Committee of Public Utility Executives found a formula which would save face all around and do lip service to the principle of section 13. They based the formula on the completely irrelevant fact that the holding companies which had already adopted the mutual service principle happened to own approximately 100 percent of the common stock of their operating subsidiaries, while Electric Bond & Share controlled its subsidiaries with only 20 to 40 percent of common stock ownership. They proposed an amendment and an argument saying in effect: "It is all right to have this mutual service principle apply when a holding company owns 100 percent of the stock of its subsidiaries, but the principle should not apply if the holding company owns less than 100 percent of the common stock of its subsidiaries. In that case the holding company should be permitted a 'reasonable profit' out of the subsidiary because otherwise it would be giving its services without compensation for the benefit of the independent holders of common stock."

We voted down that amendment in committee. I will pass by the fact that the amendment would have opened up a hole through which all holding companies could have evaded the provisions of the section, since any holding company holding 100 percent of the common stock of a subsidiary would have been able to escape the mutual-service requirement simply by transferring 10 or 15 percent of the stock. What I do wish to point out in detail as an example of what may be expected in other directions is how specious that dangerously plausible argument was.

Profits on service contracts paid to holding companies are operating expenses of the subsidiaries which pay those profits. Like all other expenses of operating companies, they eventually have to be allowed for in the rates which the operating company is permitted to collect in rates from the consumer.

But they not only come out of the consumer, they also come out of the independent holder of every class of securities of the operating companies. Since they are operating expenses the subsidiary operating company has to pay those profits to the holding company before it can pay dividends on either its preferred or common stock. Furthermore, the payment of such profits often injures even the bondholders and debenture holders of the operating companies, because such payment depletes the reserves which have been built up or which should be built up to ensure the payment of interest on bonds and debentures. Of course, one expects payment of fair costs of operation of operating companies before dividends on preferred or common stocks. But the history of the relationship between holding companies and operating companies on these service contracts has shown that the profits have not been fair operating profits but an exorbitant milking whenever the holding company controls the management of its operating subsidiary, and is really sitting on both sides of the table and trading with itself as these service contracts are negotiated. So long as the holding company continues to make contracts with operating companies it controls, the laws of human nature make it certain that the service profits will continue to be an exorbitant milking, paid for by consumers, stockholders, bondholders, and even other creditors.

The important fact is that the holding company is sitting on both sides of the table on these contracts—that it has control of the operating companies—no matter whether it holds that control through 100 percent of the common stock of the subsidiaries, through 75 percent, through 50 percent, or through 10 percent. In the 50-percent case, as well as in the 100-percent case, the danger to the consumer is the same; the danger to the preferred stockholder, the bondholder, and the other creditors is the same. As a matter of fact, there is additional reason for insisting on the application of the mutual-service principle when the holding company does not own 100 percent of the common stock of the subsidiary, because in such a case there are independent common-stock holders as well as independent preferred-stock holders and bondholders to be hurt by passing funds upstairs to the holding company.

If the holding companies were sound in their argument that the consumer, the independent common-stock holder, the independent preferred-stock holder, and the independent

bondholder, should all take a certain risk of being milked to make sure that the holding company did not give independent common-stock holders something for nothing, the argument would equally apply in any case where the holding company did not own 100 percent of the entire investment in the operating company, including not only the common stock but the preferred stock and bonds as well. If a holding company owning 90 percent of the common stock of a subsidiary is giving the other 10 percent of the common stock something for nothing when it performs services for cost, it is at the same time giving independent preferred-stock holders and the bondholders of that subsidiary something for nothing, and would be similarly giving those preferred-stock holders and bondholders something for nothing even if it owned 100 percent of the common stock. That shows up the artificiality of the whole argument. It is simply an artifice to permit Commonwealth & Southern, which has taken a really forward step in organizing a mutual-service company for its subsidiaries, to maintain a united front with Electric Bond & Share which still takes large service profits out of its subsidiaries.

But let us go on a little further with this proposed amendment to section 13. The only protection the holding companies proposed to give the consumer and the independent holder of securities against the milking of subsidiaries with service fees was a theoretical limitation of the holding company to a reasonable profit on the services. But how could any commission determine what would be a reasonable profit in such cases. The services rendered would be professional, not requiring the use of extensive capital equipment. The reasonableness of such fees could not, therefore, like the reasonableness of rates, be determined as a percentage of return on capital. There would be no outside competitive market with which to make comparisons because the holding companies have driven out of the utility field independent engineering firms, and every holding company would claim that the professional services it rendered to its own subsidiaries were completely different in quality and quantity from those performed by every other comparable company. There would be no real issue of scientific adjustment as there is supposed to be in rate cases—there would be purely and simply a problem of determining the theoretical value of a professional service.

The State commissions have been trying for several years to handle such problems and have always been beaten by the holding companies. They have found themselves in an endless maze of mock arbitrations and mock negotiations where high-priced lawyers, engineers, and experts fight for insiders' profits before the commissions with the consumer and the investor paying the bill. As I have said, I cite this experience of the committee with amendments to section 13 to prove two points. The first point is that forced to the wall the holding companies are not sincere nor even consistent with themselves in their pretensions to want regulation and to clean up their ways of doing business. The second point is that no amendment coming from holding company sources can be trusted not to include weasel words that in actuality open up a much bigger hole in the bill than will be apparent on the face of the amendment. The adaptability of the holding company business to changes in form makes it certain that a hole in one section of this bill or between sections of this bill will be immediately and exclusively utilized to render the rest of the bill worthless and impotent. For this reason, special care has been taken to articulate the several parts of this bill into a unified whole. In a statute which has to be so carefully articulated because it is so certain to become the target of legal sharpshooting, the subtle casual change of a significant word, phrase, or single short section may open up infinite possibilities of trouble in all the rest of the statute. The chairman of the committee already knows by heart every emasculating amendment which will be offered to this bill. There is a whole group of them, in general circulation among Senators, cropping up again every day. The committee has undoubtedly already considered and rejected for good reasons of "weasel wording" practically every amendment which will be offered here today other than amendments the chairman will accept.

It is instances like the attempt I have just described—to preserve the machinery for milking the outside investor through service contracts—that show the true attitude toward the investor of those executives of the holding companies who, to save their own positions and perquisites and power, are trying desperately to get those same investors unreasonably frightened about this bill. It is an old strategy of tyrants to persuade their victims to fight their battles for them. I wonder if the public whom they are now trying to arouse over the fate of what few investors still even have anything left to lose in holding-company securities, remembers that for every such investor there are probably 10 others who have lost everything by listening to the advice of these same holding company managers. I understand that the utility people tried to tell the public over the radio the other night that the changes the Interstate Commerce Committee had made in the original form of the bill were "an effort to dress the wolf in sheep's clothing." But can you think of anything more like wolves in sheep's clothing than these holding company promoters, who have already thoroughly robbed their investors, trying to kid those investors into believing that the holding companies are protecting them against their Government.

This business of whittling down the giant utility-holding companies with their present powers extending beyond the utility field in every direction, is our first grappling with the reality of ever-increasing concentration of power in fewer and fewer hands.

Let me digress again for just an instant to exhibit to Senators a few of the letters I have received in my office. I have in my hands perhaps a dozen or fifteen letters. They all came in the same kind of envelops. They are all written on a typewriter, and obviously written on the same typewriter. A number of them are signed in typewriting. If a magnifying glass is put on these letters, it will be plainly seen that all the letters which came in one batch were written on the same typewriter. The letters all contain practically the same phraseology with slight variations, indicating that they have been prepared and sent from a common center to be used to influence the Senate.

These letters remind me of some of the publicity matter gotten out by the power companies in the State of Washington to fight power bills out there; literature which was prepared for so-called "citizens' committees." I suspect that every Senator here who has been in fights in his own State where power interests were involved has seen this institution known as the "citizens' committee." In the State of Washington we have these citizens' committees gotten together, consisting of a number of prominent names in each big community huddled together in a circular, and the circulars all printed in one city and sent out to the different localities to be mailed out to voters. The material was gotten together and the letters were all printed in one place, and, puppetlike, those citizens were induced to put their names to the Power Trust circulars. These citizens were merely being used by the Power Trust to pull its chestnuts out of the fire.

Remember again that in 1932, 13 large holding company groups controlled three-fourths of the entire privately owned electric utility industry and the 3 largest of those groups, United Corporation, Electric Bond & Share, and Insull, controlled 40 percent of the entire privately owned electric utility industry.

Senators know as well as I what that has meant to the displacement of the power of local men who were once the managers of that essentially local industry. Senators know as well as I do how that concentration has siphoned off from local communities to a few big financial centers which do a national stock jobbing business, the control which those local communities once exercised over the power industry. Holding company control has destroyed local autonomy, local initiative, and local responsibility, and has set up a system of absentee management remote from local control and unresponsive to local need. A democratic economic system,

more and more dependent upon advances in science, which, in turn, depend upon electric power, cannot tolerate the continuance of that condition. The power industry, as we face the future, is above all others indispensable to the welfare of every community. When I heard witnesses before my committee testify as an argument against this bill that holding company managements have local operating companies so hopelessly indebted to them and so helplessly dependent upon them that without the continued prosperity and support of such holding companies local light and power companies vital to the life of their communities cannot go on, I only felt surer than ever that the power and light business must be reorganized so that decent light and power service throughout this country does not depend upon the fortune of a handful of holding companies in New York and Chicago.

Senators have heard much lately about the increased concentration of wealth in the hands of a relatively small proportion of our people. We know how dangerous are the forces that are fed by the increasing knowledge and resentment of that concentration. We know how desperately necessary it has become for the solid middle class which the holding company managers pretend to be protecting to devise an intelligent way to meet that problem of concentration before others try a way which may be far from polite. But the economic evils and the political dangers of concentrated wealth are scarcely greater than the evils of concentrated economic power over other people's wealth which are inherent in the holding company device as it is used today. There are extreme cases where in holding company set-ups investments of less than $50,000 control subsidiary utility investments having book values in excess of a billion dollars. But even in less complicated and less pyramided situations the holding form is used to disenfranchise in practical effect the substantial body of security holders who are the real owners of the underlying properties. Once in effective control of the holding company system, those at the top have it within their legal power to strip the security holders of local companies of their equities and to siphon off the earnings of profitable local companies to their own advantage.

That legal power over investors and their investment once achieved unfolds into endless power over outsiders in all walks of life through the holding company's device of what I call "inside business." For the holding-company managers are able to say to the operating companies what they shall buy, from whom they shall buy, at what price they shall buy, with whom they shall engage services and make contracts, what lawyers they shall employ, what banks they shall use, what newspapers shall get their advertising, what candidates for public office shall get their contributions. And as electric power grows more and more important in the economic life of communities, that power of the holding companies becomes substantially the power to direct the business patronage of communities. Utility magnates point with alarm to political patronage, but all the political patronage in the country is a drop in the bucket compared to the business patronage of United Corporation or Electric Bond & Share. That is why when they pass their orders down the line we get a deluge of obedient protests against this bill.

That trend toward concentrated business patronage is a very real threat against our whole individual competitive system. If that trend is not reversed, there is a danger of an economic feudalism in this country far worse than any goblin of state socialism these men profess to fear. The backbone of that trend is the creed of greed—the assumption that no aggregation of property can be so large as to be beyond the control of concentrated and centralized managers, and that competition is an outmoded, discredited, useless feature of economic life.

This private regimentation of industry, finance, and commerce is a deadly menace to this Republic. In a country with at least the appearance of democratic forms there is a periodical chance at election time to check and change political administrations. But there is no practical way on earth to break down the economic oligarchy of autocratic, self-constituted, and self-perpetuating groups. With all their resources of interlocking directors, interlocking bankers, and interlocking lawyers, with all their power to hire thousands of employees and service workers throughout the country, with all their power to give or withhold millions of dollars worth of business, with all their power to contribute to the campaign funds of the acquiescent or to subsidize the enemies of the obdurate, they are as frightful a menace to political freedom as they are to economic freedom.

The holding company, with its present powers, has been an instrument and a symbol of imperial oppression in the great operating industry and has utterly failed to serve the public interest in any way, shape, or form. It has given unwarranted economic power over other people's wealth to unscrupulous stock manipulators. They, in turn, have used that power unfairly, unwisely, and even corruptly for their own advantage. It has been an instrument by which a few men have been able to set up a system of private socialism, which has crowded our boasted individual enterprise and local initiative out of one of the most important of our industries, and which, if continued, will utterly destroy the last vestige of private initiative.

It has been a leader in a general trend of American business which, in the words of the President, "has made most American citizens, once traditionally independent owners of their own businesses, hopelessly dependent for their daily bread upon the favor of a very few."

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 38. An act for the relief of Winifred Meagher;

S. 279. An act to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations;

S. 285. An act to reimburse the estate of Mary Agnes Roden;

S. 462. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon;

S. 535. An act for the relief of William Cornwell and others;

S. 558. An act for the relief of certain disbursing officers of the Army of the United States, and for the settlement of an individual claim approved by the War Department;

S. 742. An act for the relief of Charles A. Lewis;

S. 905. An act for the relief of Edith N. Lindquist;

S. 931. An act for the relief of the Concrete Engineering Co.;

S. 1027. An act for the relief of Dr. R. N. Harwood;

S. 1038. An act authorizing adjustment of the claim of Elda Geer;

S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska;

S. 1487. An act for the relief of Mick C. Cooper;

S. 1609. An act for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps;

S. 2146. An act for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park; and

S. 2467. An act for the retirement of William J. Stannard, leader of the United States Army Band.

EXECUTIVE SESSION

The PRESIDING OFFICER. The hour of 4 o'clock having arrived, under the unanimous-consent order of yesterday, the Senate will proceed to the consideration of executive business and of treaties on the calendar. The clerk will state the first treaty in order.

DAMAGE BY SMELTER AT TRAIL, BRITISH COLUMBIA

The Senate, as in Committee of the Whole, proceeded to consider Executive I (74th Cong., 1st sess.), a convention between the United States of America and the Dominion of

Canada, signed at Ottawa, April 15, 1935, having for its object the payment to the United States of a sum of $350,000, United States currency, in settlement of all damage which occurred in the United States prior to January 1, 1932, as a result of the operation of the smelter of the Consolidated Mining & Smelting Co., Trail, British Columbia, and the establishment of a tribunal for the decision of questions arising since that date, which was read the second time, as follows:

[Executive I, 74th Cong., 1st sess.]

CONVENTION WITH CANADA REGARDING CERTAIN DAMAGES RESULTING FROM SMELTER OPERATIONS

The President of the United States of America, and His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, in respect of the Dominion of Canada,

Considering that the Government of the United States has complained to the Government of Canada that fumes discharged from the smelter of the Consolidated Mining & Smelting Co. at Trail, British Columbia, have been causing damage in the State of Washington, and

Considering further that the International Joint Commission, established pursuant to the Boundary Waters Treaty of 1909, investigated problems arising from the operation of the smelter at Trail and rendered a report and recommendations thereon, dated February 28, 1931, and

Recognizing the desirability and necessity of effecting a permanent settlement,

Have decided to conclude a convention for the purposes aforesaid, and to that end have named as their respective plenipotentiaries:

The President of the United States of America:

Pierre de L. Boal, Chargé d'Affaires ad interim of the United States of America at Ottawa;

His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India, for the Dominion of Canada:

The Right Honorable Richard Bedford Bennett, Prime Minister, President of the Privy Council and Secretary of State for External Affairs;

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following articles:

ARTICLE I

The Government of Canada will cause to be paid to the Secretary of State of the United States, to be deposited in the United States Treasury, within 3 months after ratifications of this convention have been exchanged, the sum of $350,000, United States currency, in payment of all damage which occurred in the United States, prior to the 1st day of January 1932, as a result of the operation of the Trail smelter.

ARTICLE II

The Governments of the United States and of Canada, hereinafter referred to as "the Governments", mutually agree to constitute a tribunal hereinafter referred to as "the Tribunal", for the purpose of deciding the questions referred to it under the provisions of article III. The tribunal shall consist of a chairman and two national members.

The chairman shall be a jurist of repute who is neither a British subject nor a citizen of the United States. He shall be chosen by the Governments, or, in the event of failure to reach agreement within 9 months after the exchange of ratifications of this convention, by the President of the Permanent Administrative Council of the Permanent Court of Arbitration at The Hague described in article 49 of the Convention for the Pacific settlement of International Disputes concluded at The Hague on October 18, 1907.

The two national members shall be jurists of repute who have not been associated directly or indirectly in the present controversy. One member shall be chosen by each of the Governments.

The Governments may each designate a scientist to assist the Tribunal.

ARTICLE III

The Tribunal shall finally decide the questions, hereinafter referred to as "the questions", set forth hereunder, namely:

(1) Whether damage caused by the Trail smelter in the State of Washington has occurred since the 1st day of January 1932, and, if so, what indemnity should be paid therefor?

(2) In the event of the answer to the first part of the preceding question being in the affirmative, whether the Trail smelter should be required to refrain from causing damage in the State of Washington in the future and, if so, to what extent?

(3) In the light of the answer to the preceding question, what measures or regime, if any, should be adopted or maintained by the Trail smelter?

(4) What indemnity or compensation, if any, should be paid on account of any decision or decisions rendered by the Tribunal pursuant to the next two preceding questions?

ARTICLE IV

The Tribunal shall apply the law and practice followed in dealing with cognate questions in the United States of America as well as international law and practice, and shall give consideration to the desire of the high contracting parties to reach a solution just to all parties concerned.

ARTICLE V

The procedure in this adjudication shall be as follows:

1. Within 9 months from the date of the exchange of ratifications of this agreement, the agent for the Government of the United States shall present to the agent for the Government of Canada a statement of the facts, together with the supporting evidence, on which the Government of the United States rests its complaint and petition.

2. Within a like period of 9 months from the date on which this agreement becomes effective, as aforesaid, the agent for the Government of Canada shall present to the agent for the Government of the United States a statement of the facts, together with the supporting evidence, relied upon by the Government of Canada.

3. Within 6 months from the date on which the exchange of statements and evidence provided for in paragraphs 1 and 2 of this article has been completed, each agent shall present in the manner prescribed by paragraphs 1 and 2 an answer to the statement of the other with any additional evidence and such argument as he may desire to submit.

ARTICLE VI

When the development of the record is completed in accordance with article V hereof, the Governments shall forthwith cause to be forwarded to each member of the Tribunal a complete set of statements, answers, evidence, and arguments presented by their respective agents to each other.

ARTICLE VII

After the delivery of the record to the members of the Tribunal in accordance with article VI the Tribunal shall convene at a time and place to be agreed upon by the two Governments for the purpose of deciding upon such further procedure as it may be deemed necessary to take. In determining upon such further procedure and arranging subsequent meetings, the Tribunal will consider the individual or joint requests of the agents of the two Governments.

ARTICLE VIII

The Tribunal shall hear such representations and shall receive and consider such evidence, oral or documentary, as may be presented by the Governments or by interested parties, and for that purpose shall have power to administer oaths. The Tribunal shall have authority to make such investigations as it may deem necessary and expedient, consistent with other provisions of this convention.

ARTICLE IX

The chairman shall preside at all hearings and other meetings of the Tribunal, and shall rule upon all questions of evidence and procedure. In reaching a final determination of each or any of the questions, the chairman and the two members shall each have one vote, and, in the event of difference, the opinion of the majority shall prevail, and the dissent of the chairman or member, as the case may be, shall be recorded. In the event that no two members of the Tribunal agree on a question, the chairman shall make the decision.

ARTICLE X

The Tribunal, in determining the first question and in deciding upon the indemnity, if any, which should be paid in respect to the years 1932 and 1933, shall give due regard to the results of investigations and inquiries made in subsequent years.

Investigators, whether appointed by or on behalf of the Governments, either jointly or severally, or the Tribunal, shall be permitted at all reasonable times to enter and view and carry on investigations upon any of the properties upon which damage is claimed to have occurred or to be occurring, and their reports may, either jointly or severally, be submitted to and received by the Tribunal for the purpose of enabling the Tribunal to decide upon any of the questions.

ARTICLE XI

The Tribunal shall report to the Governments its final decisions, together with the reasons on which they are based, as soon as it has reached its conclusions in respect to the questions, and within a period of 3 months after the conclusion of proceedings. Proceedings shall be deemed to have been concluded when the agents of the two Governments jointly inform the Tribunal that they have nothing additional to present. Such period may be extended by agreement of the two Governments.

Upon receiving such report, the Governments may make arrangements for the disposition of claims for indemnity for damage, if any, which may occur subsequently to the period of time covered by such report.

ARTICLE XII

The Governments undertake to take such action as may be necessary in order to ensure due performance of the obligations undertaken hereunder, in compliance with the decision of the Tribunal.

ARTICLE XIII

Each Government shall pay the expenses of the presentation and conduct of its case before the Tribunal and the expenses of its national member and scientific assistant.

All other expenses, which by their nature are a charge on both Governments, including the honorarium of the neutral member of the Tribunal, shall be borne by the two Governments in equal moieties.

ARTICLE XIV

This agreement shall be ratified in accordance with the constitutional forms of the contracting parties and shall take effect im-

mediately upon the exchange of ratifications, which shall take place at Ottawa as soon as possible.

In witness whereof, the respective plenipotentiaries have signed this convention and have hereunto affixed their seals.

Done in duplicate at Ottawa this 15th day of April 1935.

PIERRE DE L. BOAL. [SEAL]
R. B. BENNETT. [SEAL]

Mr. PITTMAN. Mr. President, this is a convention between the United States and Canada providing for the payment to the United States of $350,000 accrued damages up to 1932 caused by the Trail smelter, which is in British Columbia, and by the fumes crossing into the State of Washington and destroying vegetation and property. The questions involved have been considered for a long time. The convention also provides a method of arbitration and reports to determine what the damages are, if any, subsequent to 1932. The matter was fully considered several times by the Foreign Relations Committee, and the report was unanimous.

The PRESIDING OFFICER. If there be no amendments, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive I, Seventy-fourth Congress, first session, a convention between the United States of America and the Dominion of Canada, signed at Ottawa, April 15, 1935, having for its object the payment to the United States of the sum of $350,000, United States currency, in settlement of all damage which occurred in the United States prior to January 1, 1932, as a result of the operation of the smelter of the Consolidated Mining & Smelting Co., Trail, British Columbia, and the establishment of a tribunal for the decision of questions arising since that date, as set forth in the convention and in the accompanying report of the Secretary of State.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

THE CALENDAR

Mr. ROBINSON. Mr. President, if there is no objection I should like to have other executive business on the calendar disposed of at this time.

Mr. McNARY. Does the Senator desire to proceed to the business on the calendar?

Mr. ROBINSON. Yes. I wish, first, to have committee reports presented and then to have the nominations on the calendar confirmed.

Mr. McNARY. I have no objection.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate messages from the President of the United States submitting several nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Nat Rogan, of San Diego, Calif., to be collector of internal revenue for the sixth district of California, to fill an existing vacancy.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

THE CALENDAR—POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar except as to treaties.

SANITARY CONVENTION FOR AERIAL NAVIGATION

The Senate, as in Committee of the Whole, proceeded to consider Executive G (74th Cong., 1st sess.), International Sanitary Convention for Aerial Navigation, which was opened for signature at The Hague on April 12, 1933, and was signed on behalf of the United States on April 6, 1934, which had been reported from the Committee on Foreign Relations with two reservations in the resolution of ratification.

The convention was read the second time, as follows:

[Executive G, 74th Cong., 1st sess.]

INTERNATIONAL SANITARY CONVENTION FOR AERIAL NAVIGATION

[Translation]

With a view to the regulation of the sanitary control of aerial navigation, the undersigned, plenipotentiaries of the high contracting parties, furnished with full powers found in good and due form, have agreed on the following articles:

PART 1. GENERAL PROVISIONS

ARTICLE 1

For the purposes of this convention the high contracting parties adopt the following definitions:

I. The word "aircraft" includes any machine which can derive support in the atmosphere from the reactions of the air and is intended for aerial navigation.

The present convention applies only to aircraft—

1. Of which the place of departure and place of final landing are situated in different territories;

2. Which, although the place of departure and place of final landing are situated on the same territory, make an intermediate landing on a different territory;

3. Which fly without landing over more than one territory, whether these territories are placed under the sovereignty, suzerainty, mandate, or authority of the same power or of different powers.

II. The words "authorized aerodrome" denote a customs or other aerodrome specially designated as such by the competent authority of the State in which it is situated and on which aircraft may make their first landing on entering a territory or from which they may depart on leaving a territory.

III. The words "sanitary aerodrome" denote an authorized aerodrome organized and equipped in accordance with the terms of article V of the present convention and designated as such by any competent authority of the country.

IV. The word "crew" includes any person having duties on board in connection with the flying or the safety of the flight of the aircraft, or employed on board, in any way, in the service of the aircraft, the passengers, or the cargo.

V. The words "local area" denote a well-defined area, such as a province, a government, a district, a department, a canton, an island, a commune, a town, a quarter of a town, a village, a port, an agglomeration, etc., whatever may be the extent and population of such areas.

Subject to the conditions laid down in article VIII of the present convention, an aerodrome may constitute a local area.

VI. The word "observation" means the isolation of persons in a suitable place.

The word "surveillance" means that persons are not isolated, that they may move about freely, but that they are notified to the sanitary authorities of the several places whither they are bound and are subjected to a medical examination with a view to establishing their state of health.

VII. The word "day" means an interval of 24 hours.

ARTICLE 2

Whatever relates in the present convention to aerodromes is to be understood as applying mutatis mutandis to places for the landing on water of hydroplanes and similar craft.

Section I. Aerodromes in general and their staff

ARTICLE 3

Each high contracting party undertakes to provide its authorized aerodromes with a sanitary organization adapted to the current needs of prophylaxis which as a minimum shall consist of definite arrangements to insure the attendance of a medical practitioner at such times as may be necessary for the medical examinations contemplated by the present convention.

ARTICLE 4

It rests with each high contracting party, taking into account the risks of infectious disease to which its territory may be exposed, to decide whether or not to establish sanitary aerodromes and which authorized aerodromes shall be selected for this purpose.

ARTICLE 5

The sanitary aerodromes shall at all times have at its disposal—

(*a*) An organized medical service, with one medical officer at least and one or more sanitary inspectors, it being understood that this staff will not necessarily be in permanent attendance at the aerodrome;

(*b*) A place for medical inspection;

(*c*) Equipment for taking and dispatching suspected material for examination in a laboratory, if such examination cannot be made on the spot;

(*d*) Facilities, in the case of necessity, for the isolation, transport, and care of the sick; for the isolation of contracts separately from the sick; and for carrying out any other prophylactic meas-

ure in suitable premises, either within the aerodrome, or in proximity to it;

(e) Apparatus necessary for carrying out disinfection, disinsectization, and deratization, if required, as well as any other measures laid down in the present convention.

The aerodrome shall be provided with a sufficient supply of wholesome drinking water and with a proper and safe system for the disposal of excreta and refuse and for the removal of waste water. The aerodrome shall, as far as possible, be protected from rats.

ARTICLE 6

The medical officer of the sanitary aerodrome shall be an official of or approved by the competent sanitary authority.

ARTICLE 7

Each high contracting party shall communicate, either to the Office International d'Hygiène Publique, or to the International Commission for Air Navigation, which will transmit to each other the information thus received a list of its sanitary aerodromes in order that it may be brought to the knowledge of the other high contracting parties. The communication shall include, in the case of each aerodrome, details as to its situation, its sanitary equipment, and its sanitary staff.

The notification to the Office International d'Hygiène Publique provided for in the present article, as well as in articles 8, 37, 40, 58, 59, and 60 of the present convention, may in the case of those high contracting parties who have adhered to the Pan American Sanitary Code, be made through the intermediary of the Pan American Sanitary Bureau.

ARTICLE 8

In order that a sanitary aerodrome may be designated as a local area for the purpose of notification of infectious diseases and for other purposes, as provided by the present convention, it must be so organized that—

1. The entry or exit of any person is under the supervision and control of the competent authority.

2. In the case of a disease specified in Article 18 of this convention occurring in the surrounding territory, access to the aerodrome by any route other than the air is forbidden to persons suspected of being infected, and measures are applied, to the satisfaction of the competent authority, with a view to preventing persons who are resident in or passing through the aerodrome from being exposed to the risk of infection, either by contact with persons from outside or by any other means.

In order that an authorized aerodrome which is not a sanitary aerodrome may similarly be designated a local area it is necessary, in addition, that it shall be so situated topographically as to be beyond all probable risk of infection from without.

The high contracting parties shall notify to the Office International d'Hygiène Publique aerodrome which have been constituted local areas in accordance with the terms of the present article, and the Office International d'Hygiène Publique will communicate the notification to the other high contracting parties and to the International Commission for Air Navigation.

Section II. Aircraft sanitary documents

ARTICLE 9

The following entries shall be made in the journey log book, under the heading "Observations":

1. Any facts relevant to public health which have arisen on the aircraft in the course of the voyage.

2. Any sanitary measures undergone by the aircraft before departure or at places of call in application of the present convention.

3. Information concerning the appearance in the country from which the aircraft is departing of any of the infectious diseases mentioned in part 3 of the present convention. This entry is made with a view to facilitating the medical examinations which passengers arriving at aerodromes in another territory may be required to undergo.

For this purpose the government of any noninfected country in which one of the said diseases makes its appearance shall, in addition to other means by which it is already required to inform other countries of the outbreak of such diseases and their nature, transmit the necessary information to the competent authorities of each of its authorized aerodromes. The latter shall enter the information in the journey log of any aircraft leaving the aerodrome during a period of 15 days from the date on which the information was first received.

Aircraft shall not be required to carry bills of health. The entries made in the journey logbook in accordance with the terms of this article shall be verified and certified free of charge by the competent authority of the aerodrome.

Section III. Merchandise and mail

ARTICLE 10

In addition to the measures prescribed in articles 25, 29, 33, 42, 44, 47, 49, and 51 of the present convention, merchandise in aircraft may be subjected to the laws of the country as regards measures to be applied to merchandise imported by whatever means of transport.

ARTICLE 11

Letters and correspondence, printed matter, books, newspapers, business documents, postal packages, and anything sent by post shall not be subject to any sanitary measure, unless they contain articles coming within the terms of article 33 of the present convention.

PART 2. SANITARY REGULATIONS GENERALLY APPLICABLE

ARTICLE 12

In the case of sanitary or authorized aerodromes, the medical officer attached to the aerodrome has the right, either before the departure or after the landing of aircraft, to proceed to inspect the sanitary condition of passengers and crew, whenever circumstances justify this measure.

This visit should, however, be so arranged in relation to the other ordinary administrative and customs operations as to avoid any delay or interference with the continuation of the voyage. No fees shall be charged for this inspection. Reservation is made of the right of the Sanitary and Maritime Quarantine Board of Egypt to levy dues in accordance with its special powers.

ARTICLE 13

The competent authority of any aerodrome may, on the advice of the medical officer attached to the aerodrome, prohibit the embarkation of persons with symptoms of infectious disease, except in the case of the transport of sick persons by aircraft specially allocated for the purpose.

In the absence of a medical officer, the competent authority of the aerodrome may defer the departure of such persons until the advice of a doctor has been obtained.

ARTICLE 14

Aircraft in flight are forbidden to throw or drop matter capable of producing the outbreak of infectious diseases.

ARTICLE 15

If the commander of the aircraft wishes to disembark a sick person he shall, so far as he is able, notify the aerodrome of arrival in good time before landing.

ARTICLE 16

If there is on board an aircraft a case of an infectious disease, duly verified by the medical officer attached to the aerodrome, not being a disease specified in part 3 of the present convention, the usual measures in force in the country in which the aerodrome is situated shall be applied. The sick person may be landed and, if the competent sanitary authority considers it desirable, isolated in a suitable place; the other passengers and the crew shall have the right to continue the voyage, after medical inspection and, if necessary, the carrying out of the appropriate sanitary measures.

Such of these sanitary measures as can be carried out at the aerodrome shall be so arranged in relation to the administrative and customs operations that the aircraft may be detained as short a time as possible.

ARTICLE 17

Except as expressly provided for in the present convention, aircraft shall be exempt from sanitary formalities at the aerodromes both of call and of final destination.

PART 3. SANITARY REGULATIONS APPLICABLE IN THE CASE OF CERTAIN DISEASES

ARTICLE 18

The diseases which are the subject of the special measures prescribed by this part of the convention are plague, cholera, yellow fever, exanthematous typhus, and smallpox.

ARTICLE 19

For the purposes of the present convention, the period of incubation is reckoned as 6 days in the case of plague, 5 days in the case of cholera, 6 days in the case of yellow fever, 12 days in the case of exanthematous typhus, and 14 days in the case of smallpox.

ARTICLE 20

The chief health authorities shall transmit to the sanitary and authorized aerodromes of their respective countries all information contained in the epidemiological notifications and communications received from the Office International d'Hygiène Publique (and the regional Bureaux with which it has made agreements for this purpose) in execution of the provisions of the International Sanitary Convention of June 21, 1926, which may affect the exercise of sanitary control in those aerodromes.

ARTICLE 21

The measures prescribed in this part of the convention shall be regarded as constituting a maximum, within the limits of which the high contracting parties may regulate the procedure which may be applied to aircraft.

It is for each high contracting party to determine whether measures should be applied, within the limits of the present convention, to arrivals from a foreign local area or aerodrome.

In this respect, information received and measures already applied, shall in accordance with article 54 of the present convention be taken into the fullest possible account.

ARTICLE 22

For the purpose of part 3 of the present convention a local area is considered to be infected when the conditions specified in the International Sanitary Convention of June 21, 1926,[1] are applicable to it.

[1] According to the terms of the International Sanitary Convention of June 21, 1926, article 10 and the first paragraph of article 11, a local area is considered "infected" by one of the diseases in question in the following circumstances: For plague and yellow fever, when the first case recognized as nonimported is reported; for cholera, when forming a "foyer", that is, when the occurrence of new cases outside the immediate surroundings of the first cases proves that the spread of the disease has not been confined to the place where it began; for exanthematous typhus and smallpox, when they appear in epidemic form.

Chapter I. Measures applicable in case of plague, cholera, typhus, and smallpox.

Section I. Measures on departure

ARTICLE 23

The measures to be applied on the departure of aircraft from a local area infected by one of the diseases mentioned in this chapter are the following:

1. Thorough cleansing of the aircraft, especially the parts liable to be contaminated.

2. Medical inspection of passengers and crew.

3. Exclusion of any person showing symptoms of one of the diseases in question, as well as of persons in such close relation with the sick as to render them liable to transmit the infection of these diseases.

4. Inspection of personal effects, which shall only be accepted if in a reasonable state of cleanliness.

5. In the case of plague, deratization, if there is any reason to suspect the presence of rats on board.

6. In case of exanthematous typhus, disinsectization, limited to persons who, after medical inspection, are considered as likely to convey infection, and to their effects.

The aircraft's papers shall be annotated in accordance with the requirements of article 9.

Section II. Measures on arrival

ARTICLE 24

Aircraft, even when coming from a local area infected by one of the diseases to which this chapter applies, may land at any authorized aerodrome. Nevertheless, each high contracting party, if epidemiological conditions demand such action, has the right to require aircraft coming from particular local areas to land at prescribed sanitary or authorized aerodromes, account being taken of the geographical position of those aerodromes, and of the routes followed by the aircraft, in such manner as not to hamper aerial navigation.

The only measures which, if necessary, may be taken at authorized aerodromes which are not also sanitary aerodromes, are the medical inspection of crew and passengers and the landing and isolation of the sick. Passengers and crew may not move beyond the limits prescribed by the aerodrome authority except with the permission of the visiting medical officer. This restriction may continue to be imposed on the aircraft at each landing place until it arrives at a sanitary aerodrome, where it will be subject to the measures laid down in this chapter.

ARTICLE 25

The commander of the aircraft is required, on landing, to place himself at the disposal of the sanitary authority, to answer all requests for information affecting public health which are made to him by the competent service, and to produce the aircraft's papers for examination.

Should an aircraft, on entering a territory, land elsewhere than on a sanitary or authorized aerodrome, the commander of the aircraft shall, if the aircraft comes from an infected local area or is itself infected, notify the nearest local authority to this effect, and the latter shall take such measures as are appropriate to the circumstances, being guided by the general principles on which the present convention is based, and shall, if possible, direct the aircraft to a sanitary aerodrome. No cargo shall be unloaded and no passenger or member of the crew may leave the vicinity of the aircraft without the permission of the competent sanitary authority.

ARTICLE 26

In the application of the present convention, surveillance may not be replaced by observation except—

(*a*) In circumstances in which it would not be practicable to carry out surveillance with sufficient thoroughness; or

(*b*) If the risk of the introduction of infection into the country is considered to be exceptionally serious; or

(*c*) If the person who would be subject to surveillance does not furnish adequate sanitary guaranties.

Persons under observation or surveillance shall submit themselves to any examination which the competent sanitary authority may consider necessary.

A. Plague

ARTICLE 27

If there has not been a case of plague on board, the only measures which may be prescribed are:

1. Medical inspection of passengers and crew.

2. Deratization and disinsectization, if in exceptional cases these operations are considered necessary, and if they have not been carried out at the aerodrome of departure.

3. The crew and passengers may be subjected to surveillance, not exceeding 6 days, from the date on which the aircraft left the infected local area.

ARTICLE 28

If there is on board a recognized or suspected case of plague, the following measures are applicable:

1. Medical inspection.

2. The sick shall be immediately disembarked and isolated.

3. All persons who have been in contact with the sick and those whom the sanitary authority has reasons to consider suspect shall be subject to surveillance for a period not exceeding 6 days from the date of arrival of the aircraft.

4. Personal effects, linen, and any other articles which, in the opinion of the sanitary authority, are infected shall be disinsectized and, if necessary, disinfected.

5. Any parts of the aircraft which are suspected of being infected shall be disinsectized.

6. The sanitary authority may carry out deratization, in exceptional cases, if there is any reason to suspect the presence of rats on board and if the operation was not carried out on departure.

ARTICLE 29

If the sanitary authority considers that merchandise coming from an area infected with plague may harbor rats or fleas, such merchandise shall not be discharged except with the necessary precautions.

B. Cholera

ARTICLE 30

If there has not been a case of cholera on board, the only measures which may be prescribed are:

1. Medical inspection of passengers and crew.

2. Surveillance of passengers and crew for a period not exceeding 5 days from the date on which the aircraft left the infected local area.

ARTICLE 31

If a case of disease presenting clinical signs of cholera appears on board during the voyage, the aircraft shall be subject, at places of call or on arrival, to the following procedure:

1. Medical inspection.

2. The sick shall be immediately disembarked and isolated.

3. The crew and passengers shall be kept under surveillance for a period not exceeding 5 days from the date of arrival of the aircraft.

4. Personal effects, linen, and all other articles which, in the opinion of the sanitary authority are infected, shall be disinfected.

5. The parts of the aircraft which have been occupied by the sick, or which are regarded as liable to have been infected, shall be disinfected.

6. When the drinking water on board is considered suspect it shall be disinfected and, if practicable, emptied out and replaced after the disinfection of the container by wholesome water.

In countries in which investigation for detection of carriers of the cholera vibrio is prescribed for the inhabitants, persons arriving by aircraft who wish to remain in the country shall submit to the obligations imposed on the inhabitants under the same circumstances.

ARTICLE 32

Persons producing proof that they have been vaccinated against cholera within less than 6 months and more than 6 days may be subjected to surveillance only.

Proof shall consist of a written certificate signed by a doctor, whose signature shall be officially authenticated; or, failing such authentication, the certificate shall be countersigned by either (*a*) the medical officer attached to a sanitary aerodrome or (*b*) a person other than the person performing the vaccination, who is authorized to witness an application for a passport under the regulations of the country.

ARTICLE 33

The unloading from aircraft of the following fresh foods may be prohibited: Fish, shellfish, fruit, and vegetables coming from a local area infected with cholera.

C. Exanthematous typhus

ARTICLE 34

A. If there has not been a case of typhus on board, no sanitary measure may be carried out save those prescribed in article 52 of the present convention, for persons who have within 12 days left a local area where exanthematous typhus is epidemic.

B. The following measures are applicable if there is a case of exanthematous typhus on board:

1. Medical inspection.

2. The sick shall be immediately disembarked, isolated, and deloused.

3. Any person suspected of harboring lice or having been exposed to infection shall also be deloused and may be subjected to surveillance for a period not exceeding 12 days, reckoned from the date of delousing.

4. Linen, personal effects, and other articles which the sanitary authority considers to be infected, shall be disinsectized.

5. The parts of the aircraft which have been occupied by persons suffering from typhus and which the sanitary authority considers to be infected shall be disinsectized.

D. Smallpox

ARTICLE 35

A. If there has not been a case of smallpox on board, no sanitary measure may be carried out save in the case of persons who have within 14 days left a local area where smallpox is epidemic and who, in the opinion of the sanitary authority, are not sufficiently immunized. Such persons may be subjected, without prejudice to the terms of article 52, to vaccination, or to surveillance, or to vaccination followed by surveillance, the period of which shall not exceed 14 days from the date of arrival of the aircraft.

B. The following measures are applicable if there is a case of smallpox on board:

1. Medical inspection.

2. The sick shall be immediately disembarked and isolated.

3. Other persons who there is reason to believe have been exposed to infection and who, in the opinion of the sanitary authority, are not sufficiently immunized, may be subjected to the measures provided in paragraph A of this article.

4. Linen, personal effects, and other articles which the sanitary authority considers to have been recently infected shall be disinfected.

5. The parts of the aircraft which have been occupied by persons suffering from smallpox and which the sanitary authority considers to be infected shall be disinfected.

For the purposes of this article, persons shall be considered immune (*a*) if they can produce proof of a previous attack of smallpox or if they have been vaccinated within less than 3 years and more than 12 days or (*b*) if they show local signs of early reaction attesting an adequate immunity. Apart from cases where these signs are present, proof shall be afforded by a written certificate of a doctor, authenticated in the manner prescribed in the second paragraph of article 32.

Chapter II. Measures applicable in case of yellow fever

Section I. General provisions

ARTICLE 36

In territories where endemicity of yellow fever is suspected, the high contracting parties shall take the necessary steps to ascertain whether yellow fever exists in their territory in a form which, though not clinically recognizable, might be revealed by biological examination.

ARTICLE 37

Independently of the notification of the cases of and circumstances relating to recognized cases of yellow fever, as laid down in articles 1, 2, 3, 4, 5, and 8 of the International Sanitary Convention of June 21, 1926, each high contracting party undertakes to notify immediately to the other high contracting parties and at the same time to the Office International d'Hygiène Publique (either directly or indirectly through the regional Bureaux with which it has made agreements for this purpose) the discovery in its territory of the actual existence of yellow fever in the above-mentioned form.

Section II. Provisions concerning regions in which yellow fever is discovered or exists in the endemic form

ARTICLE 38

Notwithstanding article 4 of the present convention and subject to the terms of article 46 hereafter, every aerodrome which receives aircraft to which article 1, I, second paragraph, applies and which is situated in a region—that is to say, a part of a territory, in which yellow fever exists in a form clinically or biologically recognizable—shall become a sanitary aerodrome as defined in the present convention and, in addition, shall be—

(1) Situated at an adequate distance from the nearest inhabited center;

(2) Provided with arrangements for a water supply completely protected against mosquitoes, and kept as free as possible from mosquitoes by systematic measures for the suppression of breeding places and the destruction of the insects in all stages of development;

(3) Provided with mosquito-proofed dwellings for the crews of the aircraft and for the staff of the aerodrome;

(4) Provided with a mosquito-proofed dwelling in which passengers can be accommodated or hospitalized when it is necessary to apply the measures specified in articles 42 and 44 below.

ARTICLE 39

If, in the region where yellow fever has occurred or exists in an endemic form, there is not already an aerodrome fulfilling the conditions specified in the preceding article, all aerial navigation from this region to any other territory shall be suspended until such an aerodrome has been established.

ARTICLE 40

Every aerodrome established and equipped in accordance with the provisions of article 38 above shall be called an "antimaryl aerodrome" and shall be deemed to be a separate local area. The creation of such an aerodrome shall be notified, by the high contracting party in whose territory it is situated, to the other high contracting parties and either to the Office International d'Hygiène Publique or to the International Commission for Air Navigation, under the conditions laid down in article 7. Consequent on this notification, the declaration of the presence of yellow fever in an adjacent town or village or in another local area shall not apply to the aerodrome, and the aerodrome shall not be declared infected unless yellow fever occurs among the persons residing therein.

ARTICLE 41

If an antiamaryl aerodrome becomes an infected local area, aerial navigation from that aerodrome to any other territory shall be discontinued until all measures have been taken to free it from infection and all risk of the spread of the yellow fever has ceased.

ARTICLE 42

Where the antiamaryl aerodrome is not infected, but yellow fever exists in the region, the following measures shall be taken on the departure, or, in any event, as late as possible before the departure of an aircraft:

1. Inspection of the aircraft and cargo to ensure that they do not contain mosquitoes and, if necessary, disinsectization. A record of this inspection and any action taken shall be entered in the journey log book.

2. Medical inspection of passengers and crew; those who are suspected to be suffering from yellow fever or in whose case it has been duly established that they have been exposed to the infection of yellow fever shall be required to remain under observation either within the precincts of the aerodrome or elsewhere, under conditions approved by the sanitary authority, until 6 days have elapsed since the last day on which they were exposed to infection.

3. The names of the passengers and crew shall be entered in the journey log book, together with the relevant information with regard to their exposure to infection and the period and conditions of observation which they have undergone prior to departure.

ARTICLE 43

Aircraft in transit, not coming from a region in which yellow fever exists and landing for the purpose of taking in supplies in an antiamaryl aerodrome, shall be exempt from the prescribed sanitary measures on leaving that aerodrome. In the further course of the voyage, they shall not be subject to the provisions of this chapter, provided that the fact that they have called at an antiamaryl aerodrome for the sole purpose of taking in supplies is entered in the journey log book.

ARTICLE 44

Aircraft to which article 1, I, second paragraph, of the present convention applies, flying between two regions where yellow fever exists, must depart from and land at an artiamaryl aerodrome in these regions. Passengers, crew, and cargo shall not be disembarked or embarked except at an antiamaryl aerodrome.

During the voyage between these aerodromes, aircraft may land for the purpose of taking in supplies in any aerodrome not situated within a region where yellow fever exists.

The measures to be taken on arrival at the antiamaryl aerodrome are the following:

1. Inspection of the aircraft and cargo, to insure that they do not contain mosquitoes and, if necessary, disinsectization.

2. Medical examination of passengers and crew to ascertain that they are free from symptoms of yellow fever.

If a person is suspected to be suffering from yellow fever, or if it has not been established to the satisfaction of the sanitary authority of the aerodrome of arrival that a person has completed a period of 6 days since possible exposure to infection, he may be subjected to observation, either within the precincts of the aerodrome, or elsewhere, under conditions approved by the sanitary authority, for a period not exceeding 6 days, reckoned from the last day on which that person could have been infected.

ARTICLE 45

Aircraft having departed from an antiamaryl aerodrome in a region where yellow fever exists and arriving at a region where yellow fever does not exist shall be subject to the provisions of sections III and IV below.

ARTICLE 46

For the purposes of local aerial navigation, nothing in this section shall be deemed to prevent the governments of neighboring territories in which yellow fever is found or exists endemically from establishing or employing, by mutual agreement, aerodromes which are not antiamaryl aerodromes, for the needs of aerial navigation exclusively between these territories.

Section III. Provisions in respect of territories or regions in which yellow fever does not exist, but in which there may be conditions which permit of its development

ARTICLE 47

In territories or regions where yellow fever does not exist, but where there may be conditions which permit of its development, the measures which may be taken on the arrival of an aircraft at a sanitary aerodrome are the following:

1. Inspection of aircraft and cargo to insure that they do not contain mosquitoes, and, if necessary, disinsectization.

2. Medical examination of passengers and crew to ascertain that they are free from symptoms of yellow fever.

If a person is suspected to be suffering from yellow fever, or if it has not been established, to the satisfaction of the sanitary authority of the aerodrome, that a person has completed a period of 6 days since possible exposure to infection, he may be subjected to observation either within the precincts of the aerodrome, or elsewhere, under conditions approved by the sanitary authority, for a period not exceeding 6 days, reckoned from the last day on which that person could have been infected.

ARTICLE 48

The high contracting parties undertake, save in exceptional circumstances which will require to be justified, not to invoke sanitary reasons for prohibiting the landing in the territories referred to in article 47 of aircraft coming from regions where yellow fever exists, provided that the provisions of section II of this chapter, particularly those concerning the measures to be taken on departure, are observed there.

ARTICLE 49

Nevertheless, the high contracting parties may designate particular sanitary aerodromes as those at which aircraft from territories where yellow fever exists shall land for the purpose of disembarking passengers, crew, or cargo.

Section IV. Provisions in respect of territories or regions where the conditions do not permit of the development of yellow fever

ARTICLE 50

In territories or regions where the conditions do not permit of the development of yellow fever, aircraft coming from regions where yellow fever exists may land on any sanitary or authorized aerodrome.

ARTICLE 51

The measures to be taken on arrival are the following:

1. Inspection of the aircraft and cargo, to insure that they do not contain mosquitoes, and, if necessary, disinsectization.

2. Medical inspection of passengers and crew.

Chapter III. General provisions

ARTICLE 52

Persons who arrive in aircraft in the territory of any high contracting party, and who have been exposed to risk of infection by one of the diseases referred to in article 18 of the present convention and who are within the period of incubation may, subject to the provisions of chapter II of this part, be subjected to surveillance until the termination of that period.

In the case of cholera and smallpox, the provisions of articles 32 and 35, relating to immunized persons, equally apply to action under this article.

ARTICLE 53

Persons who, on their arrival at an aerodrome, are considered, under the terms of this part, liable to surveillance up to the expiration of the period of incubation of the disease may nevertheless continue the voyage, on condition that the fact is notified to the authorities of subsequent landing places and of the place of arrival, either by means of an entry in the journey log book as prescribed in article 9 of the present convention, or by some other method sufficient to secure that they can be subjected to medical inspection in any subsequent aerodromes on the route.

Persons who are liable to observation under the terms of articles 26, 44 (fourth paragraph), and 47 (second paragraph), of this convention, shall not be authorized until the expiration of the period of incubation, to continue their voyage, except—in the case of diseases other than yellow fever—with the approval of the sanitary authorities of the place of their destination.

ARTICLE 54

In applying sanitary measures to an aircraft coming from an infected local area, the sanitary authority of each aerodrome shall, to the greatest possible extent, take into account all measures which have already been applied on the aircraft, in another sanitary aerodrome abroad or in the same country, and which are duly noted in the journey log book referred to in article 9 of the present convention.

Aircraft coming from an infected local area which have already been subjected to satisfactory sanitary measures shall not be subjected to these measures a second time on arrival at another aerodrome, whether the latter belongs to the same country or not; provided, that no subsequent incident has occurred which calls for the application of the sanitary measures in question and that the aircraft has not called at an infected aerodrome except to take in fuel.

ARTICLE 55

The aerodrome authority applying sanitary measures shall, whenever requested, furnish free of charge to the commander of the aircraft or any other interested person a certificate specifying the nature of the measures, the methods employed, the parts of the aircraft treated, and the reason why the measures have been applied.

The authority shall also issue, on demand and without charge, to passengers arriving by an aircraft in which a case of one of the infectious diseases referred to in article 18 has occurred, a certificate showing the date of their arrival and the measures to which they and their luggage have been subjected.

ARTICLE 56

Save as expressly provided in the present convention, aircraft shall not be detained for sanitary reasons.

If an aircraft has been occupied by a person suffering from plague, cholera, yellow fever, exanthematous typhus, or smallpox, its detention shall be limited to the period strictly necessary for it to undergo the prophylactic measures applicable to the aircraft in the case of each disease referred to in the present convention.

ATRICLE 57

Subject to the provisions of chapter II of the present convention and particularly those of article 47, any aircraft which does not wish to submit to the measures prescribed by the aerodrome authority, in virtue of the provisions of the present convention, is at liberty to continue its voyage. It may not, however, land in another aerodrome of the same country, except for purposes of taking in supplies.

An aircraft shall be permitted to land goods on condition that it is isolated and that the goods are subjected, if necessary, to the measures laid down in article 10 of the present convention.

Aircraft shall also be permitted to disembark passengers at their request, on the condition that such passengers submit to the measures prescribed by the sanitary authority.

Aircraft may also take in fuel, replacements, food, and water while remaining in isolation.

PART IV. FINAL PROVISIONS

ARTICLE 58

Any two or more high contracting parties have the right to conclude between themselves, on the basis of the principles of the present convention, special agreements relating to particular points concerning aerial sanitary measures, notably as regards the application within their territories of chapter II of part III.

These agreements, as well as those referred to in article 46, shall be notified, as soon as they come into force, either to the Office International d'Hygiène Publique, or to the International Commission for Air Navigation, under the conditions laid down in article 7.

ARTICLE 59

The high contracting parties agree to seek the opinion of the Permanent Committee of the Office International d'Hygiène Publique, before having recourse to any other procedure, should any disagreement arise between them as to the interpretation of the present convention.

ARTICLE 60

Without prejudice to the provisions of the last paragraph of article 12, the high contracting parties undertake to apply the same tariff of charges to the aircraft of other high contracting parties as they apply to their own national aircraft, for sanitary operations in their aerodromes.

This tariff shall be as moderate as possible and shall be notified either to the Office International d'Hygiène Publique or to the International Commission for Air Navigation, under the conditions laid down in article 7.

ARTICLE 61

Any high contracting party which desires to introduce modifications in the present convention shall communicate its proposals to the Government of the Netherlands. The latter will inform the Office International d'Hygiène Publique, which, if it thinks fit, will prepare a protocol amending the convention and will transmit it to the Government of the Netherlands.

The Government of the Netherlands will submit, by dated circular letter, the text of the said protocol to the Governments of the other high contracting parties, asking them if they accept the proposed modifications. The accession of a high contracting party to these modifications will result either from explicit approval given to the Government of the Netherlands or from the fact that it refrains from notifying the latter of any objections within 12 months from the date of the circular letter above referred to.

When the number of expressed or tacit accessions represents at least two-thirds of the Governments of the high contracting parties, the Government of the Netherlands will certify the fact by means of a procès-verbal which it will communicate to the Office International d'Hygiène Publique and to the Governments of all the high contracting parties. The protocol will enter into force between the high contracting parties mentioned in the said procès-verbal, after a period of 6 months from the date of the procès-verbal. The present convention will continue to be applied without modification by the other high contracting parties until such time as they shall have acceded to the protocol.

ARTICLE 62

The present convention shall bear today's date and may be signed within 1 year from this date.

ARTICLE 63

The present convention shall be ratified and the ratifications shall be deposited with the Government of the Netherlands as soon as possible.

As soon as 10 ratifications have been deposited, the Government of the Netherlands will draw up a procès-verbal and transmit copies of the procès-verbal to the Governments of the high contracting parties and to the Office International d'Hygiène Publique. This convention shall come into force on the hundred and twentieth day after the date of the said procès-verbal.

Each subsequent deposit of ratification will be notified by a procès-verbal prepared and communicated according to the procedure indicated above. This convention shall come into force in regard to each of the high contracting parties on the hundred and twentieth day following the date of the procès-verbal attesting the deposit of its ratification.

ARTICLE 64

Countries which have not signed the present convention shall be allowed to accede to it at any time after the date of the procès-verbal recording the deposit of the first 10 ratifications.

Each accession shall be effected by a notification through the diplomatic channel addressed to the Government of the Netherlands. The latter will deposit the document of accession in its archives and will forthwith inform the governments of all the countries participating in the convention, as well as the Office International d'Hygiène Publique, informing them at the same time of the date of the deposit of the accession. Each accession shall come into force on the hundred and twentieth day from that date.

ARTICLE 65

Any high contracting party may declare, at the time of its signature, ratification, or accession, that its acceptance of this convention does not bind any or all of its colonies, protectorates, territories beyond the sea, or territories under its suzerainty or mandate. In that event the present convention shall not apply to any territories named in such declaration.

Any high contracting party may give notice to the Government of the Netherlands at any subsequent date that it desires that the present convention shall apply to any or all of its territories which have been made the subject of a declaration under the preceding paragraph. In that case, the convention shall apply to all the territories named in such notice, on the hundred and twentieth day from the date of the deposit of the notification in the archives of the Government of the Netherlands.

Any high contracting party may likewise declare, at any time after the expiration of the period mentioned in article 66, that it

desires that the present convention shall cease to apply to any or all of its colonies, protectorates, territories beyond the sea or territories under its suzerainty or mandate. The convention shall in that case cease to apply to the territories named in such declaration one year after the date of deposit of this declaration in the archives of the Government of the Netherlands.

The Government of the Netherlands will inform the Governments of all countries participating in the present convention, as well as the Office International d'Hygiène Publique, of the notifications and declarations made in pursuance of the above provisions, informing them at the same time of the date of their deposit in its archives.

ARTICLE 66

The Government of each country participating in the present convention may, at any time after the convention has been in force for the country for 5 years, denounce it by notification in writing addressed to the Government of the Netherlands through the diplomatic channel. The latter will deposit the act of denunciation in its archives; it will forthwith inform the governments of all the countries participating in the convention, as well as the Office International d'Hygiène Publique, and will at the same time notify them of the date of such deposit; each denunciation will come into force 1 year after that date.

ARTICLE 67

The signature of the present convention shall not be accompanied by any reservation which has not previously been approved by the high contracting parties who are already signatories. Moreover, ratifications or accessions cannot be accepted if they are accompanied by reservations which have not previously been approved by all the countries participating in the convention.

In virtue of which the respective plenipotentiaries have signed the present convention.

Done at The Hague, April 12, 1933, in a single original copy, which shall remain deposited in the archives of the Government of the Netherlands and of which certified true copies shall be sent through diplomatic channels to each of the high contracting parties.

For the Union of South Africa:
A. J. BOSMAN.
For Germany:
JULIUS GRAF VON ZECH-BURKERSRODA.
For the United States of America:

(1) With reference to article 61 no amendments to the convention will be binding on the Government of the United States of America or territory subject to its jurisdiction unless such amendments be accepted by the Government of the United States of America.

(2) The Government of the United States of America reserves the right to decide whether from the standpoint of the measures to be applied a foreign district is to be considered as infected, and to decide what requirements shall be applied under special circumstances to aircraft and personnel arriving at an aerodrome in the United States of America or territory subject to its jurisdiction.

GRENVILLE T. EMMET.
For Australia:

In signing the present convention in respect of the Commonwealth of Australia I declare that my signature is subject to the following reservation:

"His Majesty's Government in the Commonwealth of Australia reserve the right to accept only those certificates which are signed by a recognized official of the public-health service of the country concerned, and which carry within the text of the certificate an intimation of the office occupied by the person signing the certificate, if the circumstances appear to be such that certificates delivered under the conditions laid down in article 32 of the convention do not provide all the necessary guarantees."

In accordance with the provisions of article 65, I further declare that the acceptance of the convention does not bind the territories of Papua and Norfolk Island or the Mandated Territories of New Guinea and Nauru.

HUBERT MONTGOMERY.
For Austria:
GEORG ALEXICH.
For Belgium:
CH. MASKENS.
For Egypt:
HAFEZ AFIFI.
For Spain:
J. GÓMEZ OCERIN.
For France:
VITROLLES.
For Morocco:
VITROLLES.
For Tunisia:
VITROLLES.
For Syria:
VITROLLES.
For Lebanon:
VITROLLES.

For Great Britain and Northern Ireland, as well as all parts of the British Empire not separate members of the League of Nations:

In accordance with the provisions of paragraph 1 of article 65 of the convention I hereby declare that my signature does not include Newfoundland or any British colony or protectorate or any mandated territory in respect of which the mandate is exercised by His Majesty's Government in the United Kingdom.

ODO RUSSELL.
For Greece:
TRIANTAFYLLAKOS.
For the Irish Free State:
O'KELLY DE GALLAGH.
For Italy:
FRANCESCO MARIA TALIANI.
For Monaco:
HENRI E. REY.
For New Zealand:
ODO RUSSELL.
For the Netherlands (excepting the Netherland East Indies, Surinam, and Curaçao):
BEELAERTS VAN BLOKLAND.
For Poland:
W. BABINSKI.
For Rumania:
GR. BILCIURESCO.
For Sweden:
ADLERCREUTZ.

A certified true copy:

A. M. SNOUCK HURGRONJE,
Secretary of the Ministry of Foreign Affairs of the Netherlands.

Mr. PITTMAN. Mr. President, this is a convention dealing with the regulation of all sanitary matters which are now becoming so important by reason of international travel by airplane. We had before the committee General Cumming and others, who testified with regard to the matter. The convention has already been quite universally signed, and after hearings and careful consideration by the committee, we felt the convention to be necessary. There were no objections to it. It simply involves sanitary regulations for the various companies involved in international aerial transportation.

The PRESIDING OFFICER. If there be no amendments, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification, with the reservations reported by the committee, will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive G, Seventy-fourth Congress, first session, the International Sanitary Convention for Aerial Navigation which was opened for signature at The Hague on April 12, 1933, and was signed on behalf of the United States on April 6, 1934, subject to the following two reservations:

(1) With reference to article 61 no amendments to the convention will be binding on the Government of the United States of America or territory subject to its jurisdiction unless such amendments be accepted by the Government of the United States of America;

(2) The Government of the United States of America reserves the right to decide whether from the standpoint of the measures to be applied a foreign district is to be considered as infected, and to decide what requirements shall be applied under special circumstances to aircraft and personnel arriving at an aerodrome in the United States of America or territory subject to its jurisdiction.

The PRESIDING OFFICER. The question is on agreeing to the reservations to the resolution of ratification.

The reservations were agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification as amended by the reservations. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification, as amended by the reservations, is agreed to, and the treaty is ratified.

SUPPLEMENTARY EXTRADITION TREATY WITH POLAND

The Senate, as in Committee of the Whole, proceeded to consider Executive J (74th Cong., 1st sess.), a supplementary extradition treaty between the United States of America and Poland, signed at Warsaw on April 5, 1935, adding "offenses to the detriment of creditors in connection with a state of insolvency" to the crimes and offenses on account of which extradition may be granted, enumerated in the extradition treaty signed between the two countries on November 22, 1927, which was read the second time, as follows:

SUPPLEMENTARY EXTRADITION TREATY

The United States of America and the Republic of Poland, being desirous of enlarging the list of crimes on account of which extradition may be granted under the treaty signed between the United States of America and the Republic of Poland on November 22, 1927, with a view to the better administration of justice and the prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary treaty for this purpose and have appointed as their Plenipotentiaries:

The President of the United States of America:

Mr. JOHN CUDAHY, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Poland,

The President of the Republic of Poland:

Mr. Jozef Beck, Minister of Foreign Affairs,

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE I

The following crimes are added to the list of crimes numbered 1 to 18 in article II of the said treaty of November 22, 1927, on account of which extradition may be granted, that is to say:

19. Offenses to the detriment of creditors in connection with a state of insolvency.

ARTICLE II

The present treaty shall be considered as an integral part of the said extradition treaty of November 22, 1927, and article II of the last-mentioned treaty shall be read as if the list of crimes therein contained had originally comprised the additional crimes specified and numbered 19 in the first article of the present treaty.

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the thirtieth day after the date of the exchange of ratifications, which shall take place at Washington as soon as possible.

In witness whereof the above-mentioned plenipotentiaries have signed the present treaty in the English and Polish languages, both authentic, and have hereunto affixed their seals.

Done in duplicate at Warsaw this 5th day of April 1935.

JOHN CUDAHY. [SEAL]
J. BECK. [SEAL]

The PRESIDING OFFICER. If there be no amendments, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (*two-thirds of the Senators present concurring therein*), That the Senate advise and consent to the ratification of Executive J, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States of America and Poland, signed at Warsaw on April 5, 1935, adding "Offenses to the detriment of creditors in connection with a state of insolvency" to the crimes and offenses on account of which extradition may be granted, enumerated in the extradition treaty signed between the two countries on November 22, 1927.

Mr. PITTMAN. Mr. President, this is only an amendment to our usual extradition treaty to include bankruptcy and insolvency matters.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring, the resolution is agreed to, and the treaty is ratified.

EXTRADITION TREATY WITH CZECHOSLOVAKIA

The Senate, as in Committee of the Whole, proceeded to consider Executive K (74th Cong., 1st sess.), a supplementary extradition treaty between the United States of America and the Republic of Czechslovakia, signed at Washington on April 29, 1935, which was read the second time, as follows:

SUPPLEMENTARY EXTRADITION TREATY

Printer's copy

The United States of America and the Czechoslovak Republic, being desirous of enlarging the list of crimes and offenses on account of which extradition may be granted under the treaty concluded between the two countries on July 2, 1925, and of amending article IV of that treaty, with a view to the better administration of justice and the prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary treaty for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States of America:

Mr. Cordell Hull, Secretary of State of the United States of America;

The President of the Czechoslovak Republic:

Dr. Ferdinand Veverka, Envoy Extraordinary and Minister Plenipotentiary of the Czechoslovak Republic in Washington;

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE I

The following crimes and offenses are added to the list numbered 1 to 22 in article II of the said treaty of July 2, 1925, on account of which extradition may be granted, that is to say:

23. Crimes and offenses against the laws of bankruptcy.

ARTICLE II

The present treaty shall be considered as an integral part of the said extradition treaty of July 2, 1925, and article II of the last-mentioned treaty shall be read as if the list of crimes and offenses therein contained had originally comprised the additional crimes and offenses specified and numbered 23 in the first article of the present treaty.

ARTICLE III

Article IV of the said treaty of July 2, 1925, is hereby amended by adding thereto the following words:

"or be extradited to another country, unless he shall have been allowed one month to leave the country after having been set at liberty as a result of the disposition of the charges upon which he was extradited."

So that the article will now read:

"No person shall be tried for any crime or offense committed before his extradition other than that for which he was surrendered, or be extradited to another country, unless he shall have been allowed one month to leave the country after having been set at liberty as a result of the disposition of the charges upon which he was extradited."

ARTICLE IV

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional method, and shall take effect on the date of the exchange of ratifications which shall take place at Prague as soon as possible.

In witness whereof the above named plenipotentiaries have signed the present treaty in both the English and Czechoslovak languages, each of which texts is equally authentic, and have hereunto affixed their seals.

Done in duplicate at Washington this 29th day of April 1935.

CORDELL HULL. [SEAL]
FERDINAND VEVERKA. [SEAL]

Mr. PITTMAN. Mr. President, this is exactly the same kind of extradition treaty as the one just ratified, adding only bankruptcy and insolvency matters.

The PRESIDING OFFICER. If there be no amendments, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (*two-thirds of the Senators present concurring therein*), That the Senate advise and consent to the ratification of Executive K, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States of America and the Republic of Czechoslovakia, signed at Washington on April 29, 1935.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified.

CONVENTION FOR PROTECTION OF INDUSTRIAL PROPERTY

The Senate as in Committee of the Whole proceeded to consider Executive F (74th Cong., 1st sess.), an international convention for the protection of industrial property signed at London on June 2, 1934, by the plenipotentiaries of the United States of America and 28 other countries, at an international conference convened for the purposes of revising the convention of the international union for the protection of industrial property, signed at Paris on March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, and at The Hague on November 6, 1925, which was read the second time, as follows:

[Executive F, 74th Cong., 1st sess.]

INTERNATIONAL CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY

[Translation]

CONVENTION OF THE UNION OF PARIS OF MARCH 20, 1883, FOR THE PROTECTION OF INDUSTRIAL PROPERTY

(Revised at Brussels Dec. 14, 1900, at Washington June 2, 1911, at The Hague Nov. 6, 1925, and at London, June 2, 1934)

The President of the German Reich; the President of the Republic of Austria; His Majesty the King of the Belgians; the

President of the United States of Brazil; the President of the Republic of Cuba; His Majesty the King of Denmark; the President of the Republic of Spain; the President of the United States of America; the President of the Republic of Finland; the President of the French Republic; His Majesty the King of Great Britain and Ireland and of the British Territories Beyond the Seas, Emperor of India; His Most Serene Highness the Regent of the Kingdom of Hungary; His Majesty the King of Italy; His Majesty the Emperor of Japan; His Most Serene Highness, the Prince of Liechtenstein; His Majesty the Sultan of Morocco; the President of the United States of Mexico; His Majesty the King of Norway; Her Majesty the Queen of the Netherlands; the President of the Polish Republic (in the name of Poland and the Free City of Danzig); the President of the Portuguese Republic; His Majesty the King of Sweden; the Federal Council of the Swiss Confederation; the President of the Czechoslovak Republic; His Highness the Bey of Tunisia; the President of the Turkish Republic; His Majesty the King of Yugoslavia, having deemed it expedient to make certain modifications and additions in the International Convention of March 20, 1883, for the creation of an International Union for the Protection of Industrial Property, revised at Brussels on December 14, 1900, and at Washington on June 2, 1911, have appointed as their plenipotentiaries, to wit:

The President of the German Reich:
His Excellency M. Leopold von Hoesch, German Ambassador in London.
Mr. Georg Klauer, President of the Patent Office.
Mr. Wolfgang Kühnast, Geh. Justizrat, Director in the Patent Office.
Mr. Herbert Kühnemann, Landgerichtsrat in the Ministry of Justice.

The President of the Republic of Austria:
Mr. le Hofrat Dr. Hans Werner, Chief Adviser in the Patent Office.

His Majesty the King of the Belgians:
Mr. Daniel Coppieters de Gibson, attorney at the Cour d'Appel of Brussels.
Mr. Thomas Braun, attorney at the Cour d'Appel of Brussels.

The President of the United States of Brazil:
Mr. Julio Augusto Barboza-Carneiro, Commercial Attaché at the Brazilian Embassy in London.

The President of the Republic of Cuba:
Mr. le Dr. Gabriel Suárez Solar, Cuban Chargé d'Affaires in London.

His Majesty the King of Denmark:
Mr. N. J. Ehrenreich-Hansen, Director of the Administration of Industrial Property.

The President of the Republic of Spain:
His Excellency Don Ramón Pérez de Ayala, Ambassador of Spain in London.
Mr. Fernando Cabello Lapiedra, Director of the Office of Industrial Property.
Mr. José García Monge y de Vera, Assistant Chief and Secretary of the Register of Industrial Property.

The President of the United States of America:
The Honorable Conway P. Coe, Commissioner of Patents.
Mr. Thomas Ewing.
Mr. John A. Dienner.

The President of the Republic of Finland:
Mr. Juho Fredrik Kautola, Industrial Adviser, Chief of the Patent Office at the Ministry of Commerce and Industry.

The President of the French Republic:
In the name of the French Republic:
Mr. Marcel Plaisant, senator, attorney at the Cour d'Appel of Paris, Assistant Delegate for France at the League of Nations, member of the Technical Committee on Industrial Property.
Mr. Roger Cambon, Minister Plenipotentiary, Adviser of the French Embassy in London.
Mr. Georges Lainel, Director of Industrial Property in the Ministry of Commerce and Industry.
Mr. Georges Maillard, attorney at the Cour d'Appel of Paris, Vice President of the Technical Committee on Industrial Property.
In the name of the States of Syria and Lebanon:
Mr. Marcel Plaisant.

His Majesty the King of Great Britain, Ireland, and the British Territories Beyond the Seas, Emperor of India:
For Great Britain and Northern Ireland:
Sir Frederick William Leith-Ross, K. C. B., K. C. M. G., Chief Economic Advisor to His Majesty's Government in the United Kingdom.
Mr. Mark Frank Lindley, LL. D., Comptroller General of Patents, Designs, and Trade Marks.
Sir William Smith Jarratt.
For the Commonwealth of Australia:
Mr. Bernhard Wallach, Commissioner of Patents, Registrar of Trade Marks, Registrar of Designs, Registrar of Copyrights.
For the Irish Free State:
Mr. John W. Dulanty, High Commissioner of the Irish Free State in London.
Mr. Edward A. Cleary, Controller of Industrial and Commercial Property.

His Most Serene Highness the Regent of the Kingdom of Hungary:
Mr. Zoltán Schilling, President of the Hungarian Royal Court of Patents.

His Majesty the King of Italy:
His Excellency Mr. Eduardo Piola Caselli, senator, President of the Chamber at the Cour de Cassation.
His Excellency Prof. Amedeo Giannini, senator, Minister Plenipotentiary, State Adviser.
Dr. Luigi Siamonti, Director of the Legal Office of the Confederation of Industry.
Dr. Alfre o Jannoni Sebastianini, Director of the Bureau of Intellectual Property.

His Majesty the Emperor of Japan:
His Excellency Massa-aki Hotta, Envoy Extraordinary and Minister Plenipotentiary of Japan in Prague.
Mr. Takatsugu Yoshiwara, Secretary General of the Office of Patents of Invention.

His Most Serene Highness the Prince of Liechtenstein:
Mr. Walther Kraft, Director of the Federal Bureau of Intellectual Property at Bern.

His Majesty the Sultan of Morocco:
His Excellency Viscount de Poulpiquet du Halgouet, Commercial Attaché of France in London.

The President of the United States of Mexico:
Mr. Gustavo Luders de Negri, Consul General of Mexico in London.

His Majesty the King of Norway:
Mr. Birger Gabriel Wyller, Director General of the Office of Industrial Property.

Her Majesty the Queen of the Netherlands:
Dr. J. Alingh Prins, President of the Council for Patents of Invention, Director of the Office of Industrial Property at The Hague.
Dr. Jonkheer J. van Hettinga Tromp, attorney at the Haute Cour at The Hague.
Dr. A. D. Koelman, adviser at The Hague.
Dr. H. F. van Walsem, attorney at Eindhoven.

The President of the Polish Republic (in the name of Poland and the Free City of Danzig):
In the name of the Polish Republic: Mr. Stefan Czaykowski, President of the Patent Office of the Polish Republic.
In the name of the Free City of Danzig: Mr. Stefan Czaykowski.

The President of the Portuguese Republic:
Dr. Joao de Lebre e Lima, Portuguese Chargé d'Affaires in London.
Ing. Arthur de Mello Quintella Saldanha, Director of the Bureau of Industrial Property.

His Majesty the King of Sweden:
Dr. Carl Birger Lindgren, Section Chief at the Office of Patents and Registration.
Mr. Ake de Zueigbergk.

The Federal Council of the Swiss Confederation:
Mr. Walter Kraft, Director of the Federal Bureau of Intellectual Property.

The President of the Czechoslovak Republic:
Dr. Karel Skála, Adviser at the Ministry of Commerce.
Dr. Otto Parsch, Secretary at the Ministry of Commerce.

His Highness the Bey of Tunisia:
Mr. Charles Billecocq, Consul General of France in London.

The President of the Turkish Republic:
His Excellency Ali Fethi Bey, Turkish Ambassador in London.

His Majesty the King of Yugoslavia:
Dr. Janko Choumane, President of the National Office for the Protection of Industrial Property.

Who, having communicated their respective full powers, which were found to be in good and due form, have agreed upon the following provisions:

ARTICLE 1

(1) The countries to which the present convention applies constitute themselves into a Union for the Protection of Industrial Property.

(2) The scope of the protection of industrial property shall include patents, utility models, industrial designs and models, trade marks, commercial names and indications of origin, or appellations of origin, as well as the repression of unfair competition.

(3) Industrial property shall be understood in the broadest meaning and shall apply not only to industry and commerce as such, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grains, tobacco leaves, fruits, cattle, minerals, mineral waters, beers, flowers, flours.

(4) The term "patents" shall extend to the various types of industrial patents recognized by the laws of the countries of the Union, such as patents of importation, improvement patents, patents and certificates of addition, etc.

ARTICLE 2

(1) Nationals of each of the countries of the Union shall, in all other countries of the Union, as regards the protection of industrial property, enjoy the advantages that their respective laws now grant, or may hereafter grant, to their own nationals, without any prejudice to the rights specially provided for by the present convention. Consequently they shall have the same protection as the latter, and the same legal remedy against any infringement of

their rights, provided they observe the conditions and formalities imposed upon nationals.

(2) Nevertheless, no condition as to the possession of a domicile or establishment in the country where protection is claimed can be required of those who enjoy the benefits of the Union for the enjoyment of any industrial property rights.

(3) The provisions of the legislation of each of the countries of the Union relative to judicial and administrative proceedings and to competent authority, as well as to the choice of domicile or the appointment of an authorized agent, which may be required by the laws on industrial property are expressly reserved.

ARTICLE 3

Nationals of countries not forming part of the Union who are domiciled or who have real and effective industrial or commercial establishments in the territory of one of the countries of the Union shall be assimilated to the nationals of the countries of the Union.

ARTICLE 4

A. (1) Any person who has duly applied for a patent, the registration of a utility model, industrial design or model, or trade mark in one of the countries of the Union, or his legal representative or assignee, shall enjoy for the purposes of registration in other countries, a right of priority during the periods hereinafter stated.

(2) Any filing having the value of a formal national filing by virtue of the internal law of each country of the Union or of international treaties concluded among several countries of the Union shall be recognized as giving rise to a right of priority.

B. Consequently, subsequent filing in one of the other countries of the Union before the expiration of these periods shall not be invalidated through any acts accomplished in the interval, as for instance, by another filing, by publication of the invention or the working thereof, by the sale of copies of the design or model, or by use of the trade mark, and these facts cannot give rise to any right of third parties or any personal possession. The rights acquired by third parties before the day of the first application on which priority is based shall be reserved by the internal legislation of each country of the Union.

C. (1) The above-mentioned periods of priority shall be 12 months for patents and utility models and 6 months for industrial designs and models and for trade marks.

(2) These periods shall start from the date of filing of the first application; the day of filing is not counted in this period.

(3) If the last day of the period is a legal holiday, or a day on which the Patent Office is not open to receive applications in the country where protection is claimed, the period shall be extended until the next working day.

D. (1) Any person desiring to take advantage of the priority of a previous application must make a declaration giving particulars as to the date of such application and the country in which it was made. Each country will determine the latest date at which such declaration must be made.

(2) The particulars referred to shall be stated in the publications issued by the competent authority, and in particular in the patents issued and the specifications relating thereto.

(3) The countries of the Union may require any person making a declaration of priority to produce a copy of the application (with the specification, drawings, etc.) previously made. The copy, certified as correct by the authority receiving this application, shall not require legal authentication, and in all cases it can be filed, without fee, at any time within the period of three months from the filing of the application. They may also require that the declaration later be accompanied by a certificate by the proper authority showing the date of application, and also by a translation.

(4) No other formalities may be required for the declaration of priority at the time application is filed. Each of the countries of the Union shall decide upon the consequences of the omission of the formalities prescribed by this article, but such consequence shall in no case exceed the loss of the right of priority.

(5) Further proof in support of the application may be required later.

E. (1) Where an application is filed in a country for the registration of an industrial design or model by virtue of a right of priority based on the registration of a utility model, the period of priority shall be the same as that fixed for industrial designs and models.

(2) Furthermore, it is allowable to deposit in a country a utility model by virtue of rights of priority based on a patent application, and vice versa.

F. No country of the Union can refuse an application for patent on the ground that it claims multiple priorities provided there is unity of invention in the sense of the law of the country.

G. If the examination shows that an application for patent is complex, the applicant can divide the application into a certain number of divisional applications preserving as the date of each the date of the initial application, and the benefit of the right of priority, if any.

H. Priority cannot be refused on the ground that certain elements of the invention for which priority is claimed do not appear among the claims made in the application in the country of origin, provided that the application, as a whole, discloses precisely the aforesaid elements.

ARTICLE 4 BIS

(1) Patents applied for in the various countries of the Union by persons entitled to the benefits of the Union shall be independent of the patents obtained for the same invention in other countries, whether or not such countries be parties to the Union.

(2) This stipulation must receive a strict interpretation; in particular, it shall be understood to mean that patents applied for during the period of priority are independent, both as regards the grounds for refusal and revocation and as regards their normal duration.

(3) This stipulation shall apply to all patents already existing at the time when it shall come into effect.

(4) The same stipulation shall apply, in the case of the accession of new countries, to patents in existence, either on one side or the other, at the time of accession.

(5) Patents obtained with the benefit of priority shall enjoy, in the different countries of the Union, a duration equal to that which they would have enjoyed if they had been applied for or granted without the benefit of priority.

ARTICLE 4 TER

The inventor shall have the right to be mentioned as such in the patent.

ARTICLE 5

A. (1) The introduction by the patentee into the country where the patent has been granted of objects manufactured in any of the countries of the Union shall not entail forfeiture.

(2) Nevertheless, each of the countries of the Union shall have the right to take the necessary legislative measures to prevent the abuses which might result from the exercise of the exclusive rights conferred by the patent; for example, failure to use.

(3) These measures will only provide for the revocation of the patent if the granting of compulsory licenses do not suffice to prevent these abuses.

(4) In any case the issuance of a compulsory license cannot be demanded before the expiration of 3 years beginning with the date of the granting of the patent and this license can be issued only if the patentee does not produce acceptable excuses. No action for the cancelation or revocation of a patent can be introduced before the expiration of 2 years beginning with the issuance of the first compulsory license.

(5) The preceding provisions, subject to necessary modifications, shall be applicable to utility models.

B. The protection of designs and industrial models cannot be liable to cancelation either for failure to work or for the introduction of objects corresponding to those protected.

C. (1) If in a country the use of a registered mark is compulsory, the registration can be canceled only after a reasonable period, and if the interested party cannot justify the causes of his inaction.

(2) The use of a trade mark by the owner, in a form which differs by elements not altering the distinctive character of the mark, in the form under which it was registered in one of the countries of the Union, shall not entail invalidation of the registration, nor shall it diminish the protection accorded to the mark.

(3) The simultaneous use of the same mark on identical or similar products by industrial or commercial establishments considered as joint owners of the mark according to the provisions of the national law of the country where protection is sought shall neither prevent registration nor diminish in any way the protection accorded the said mark in any country of the Union, provided the said use does not result in inducing the public into error and is not contrary to public interest.

D. Articles shall not be required to bear any sign or mention of the patent, the utility model, or the registration of the trade mark or of the deposit of the industrial design or model for recognition of the right.

ARTICLE 5 BIS

(1) A period of grace of at least 3 months shall be granted for the payment of charges prescribed for the maintenance of industrial property rights, subject to the payment of a surcharge, if the internal legislation so provides.

(2) For patents of invention, the countries of the Union undertake, moreover, either to prolong the extended period to 6 months at least, or to provide for the restoration of the patent which has lapsed owing to the nonpayment of fees, such provisions remaining subject to the conditions prescribed by internal legislation.

ARTICLE 5 TER

In each one of the countries of the Union, the following shall not be considered as infringing the rights of the patentee:

1°. The use on board ships of other countries of the Union of any article forming the subject matter of his patent in the body of the ship, in the machinery, tackle, rigging, and other accessories, when such ships shall enter temporarily or accidentally the waters of the country, provided that such article is used there exclusively for the needs of the vessel.

2°. The use of any article forming the subject matter of the patent in the construction or operation of air or land locomotive engines of the other countries of the Union, or of accessories to these engines, when the latter shall enter the country temporarily or accidentally.

ARTICLE 6

A. Every trade mark duly registered in the country of origin shall be admitted for registration and protected in the form originally registered in the other countries of the Union under the reservations indicated below. These countries can demand, before proceeding to a final registration, the production of a certificate of registration in the country of origin issued by the competent authority. No legalization shall be required for this certificate.

B. (1) Nevertheless, the following marks may be refused or canceled:

1°. Those which are of such a nature as to infringe upon rights acquired by third parties in the country where protection is applied for.

2°. Those which have no distinctive character, or which consist exclusively of signs or indications which serve in trade to designate the kind, quality, quantity, destination, value, place of origin of the products, or time of production, or which have become customary in the current language, or in the bona fide and unquestioned usages of the trade in the country in which protection is sought. In arriving at a decision as to the distinctiveness of the character of a mark, all the circumstances of the case must be taken into account, and in particular the length of time that such a mark has been in use.

3°. Those which are contrary to morality or public order, especially those which are of a nature to deceive the public. It is to be understood that a mark cannot be considered as contrary to public order for the sole reason that it does not conform to some legislative requirement concerning trade marks, except in circumstances where this requirement itself concerns public order.

(2) Trade marks cannot be refused in the other countries of the Union on the sole ground that they only differ from the marks protected in the country of origin by elements not altering the distinctive character and not affecting the identity of the marks in the form under which they have been registered in the aforesaid country of origin.

C. The following shall be deemed the country of origin:

The country of the Union where the applicant has an actual and genuine industrial or commercial establishment; and, if he has not such an establishment, the country of the Union where he has his domicile; and, if he has not a domicile in the Union, the country of his nationality in the case where he is under the jurisdiction of a country of the Union.

D. When a trade mark shall have been duly registered in the country of origin, then in one or more of the other countries of the Union, each one of these national marks shall be considered, from the date on which it shall have been registered, as independent of the mark in the country of origin, provided it conforms to the internal law of the country of importation.

E. In no case shall the renewal of the registration of a trade mark in the country of origin involve the obligation of renewal of the registration of the mark in other countries of the Union in which the mark has been registered.

F. The benefits of priority shall subsist in trade-mark applications filed in the period allowed by article 4, even when the registration in the country of origin is completed only after the expiration of such period.

ARTICLE 6 BIS

(1) The countries of the Union agree to refuse or to invalidate either administratively, if their legislation so permits, or at the request of an interested party, the registration of a trade mark which constitutes a reproduction, limitation, or translation, liable to create confusion with a mark considered by the competent authority of the country of registration to be well-known there as being already a mark of a person entitled to the benefits of the present convention and used for identical or similar products. The same shall apply when the essential part of the mark constitutes a reproduction of a well-known mark or an imitation likely to cause confusion therewith.

(2) A period of at least 3 years must be granted in order to claim the cancelation of these marks. The period shall start from the date of registration of the mark.

(3) No period shall be established to claim the cancelation of marks registered in bad faith.

ARTICLE 6 TER

(1) The countries of the Union undertake to refuse or invalidate registration, and to prohibit by appropriate means the use, failing authorization from the competent authority, whether as a trade mark or as the components of such, of all coats of arms, flags, and other State emblems of countries of the Union, official control and guarantee signs and stamps adopted by them, and any imitation thereof from an heraldic point of view.

(2) The prohibition of official control and guarantee signs and stamps shall apply only in cases where marks which comprise them are intended to be used on merchandise of the same or a similar nature.

(3) For the application of these provisions the countries of the Union agree to communicate reciprocally, through the intermediary of the International Bureau of Bern, the list of State emblems and official control and guarantee signs and stamps which they desire or will desire, to place, wholly or with certain reservations, under the protection of the present article, as well as any subsequent modifications added to the list. Each country of the Union shall place the communicated list at the disposal of the public in due course.

(4) Each country of the Union may, within a period of 12 months from the receipt of the notification, and through the intermediary of the International Bureau of Bern, transmit its possible objections to any other country concerned.

(5) For State emblems which are well known, the provisions of paragraph 1 shall be applicable only to marks registered after November 6, 1925.

(6) For State emblems which are not well known, and for official signs and stamps, these provisions shall be applicable only to marks registered more than 2 months after the receipt of the notification contemplated in paragraph 3.

(7) In the case of bad faith, the countries shall have the right to cancel even the marks registered before November 6, 1925, and embodying State emblems, signs, and stamps.

(8) Nationals of each country who are authorized to make use of State emblems, and signs and stamps of their country, may use them even if there be a similarity with those of another country.

(9) The countries of the Union undertake to prohibit the unauthorized use in trade of state coats of arms of other countries of the Union, when such use is liable to cause confusion as to to origin of the product.

(10) The preceding provisions shall not prevent the countries from exercising the right to refuse or to invalidate, by application of item 3°, paragraph (1), letter B, of article 6, marks including, without authorization, coats of arms, flags, decorations, and other state emblems or official signs and stamps adopted by a country of the Union.

ARTICLE 6 QUARTER

(1) When in accordance with the laws of a country of the Union the assignment of a mark is valid only if it takes place at the same time as the transfer of the enterprise or business and good will to which the mark belongs, it will suffice, for the admission of the validity of such transfer, that the part of the enterprise or business and goodwill which is located in this country be transferred to the assignee with the exclusive right therein to manufacture or sell products under the mark which has been assigned.

(2) This provision shall not impose upon the countries of the Union the obligation of considering as valid the transfer of any mark whose use by the assignee would, in fact, be of such a nature as to deceive the public, especially as regards the place of origin, the nature or the material qualities of the products to which the mark is applied.

ARTICLE 7

The nature of the goods on which the trade mark is to be used can in no case form an obstacle to the registration of the trade mark.

ARTICLE 7 BIS

(1) The countries of the Union undertake to allow the filing of and to protect collective marks belonging to collectivities, the existence of which is not contrary to the law of the country of origin, even if these collectivities do not possess an industrial or commercial establishment.

(2) Each country shall be the judge as to the particular conditions under which a collective mark shall be protected and it can refuse protection if this mark is contrary to public interest.

(3) However, the protection of these marks cannot be refused to any collectivity whose existence is not contrary to the law of country of origin, on the ground that it is not established in the country where protection is sought, or that it is not organized in conformity with the law of that country.

ARTICLE 8

A trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it form part of a trade mark.

ARTICLE 9

(1) All goods illegally bearing a trade mark or trade name shall be seized at importation into those countries of the Union where this mark or name has a right to legal protection.

(2) Seizure shall likewise be effected in the country where the mark or name was illegally applied, or in the country into which the article bearing it has been imported.

(3) The seizure shall take place at the request either of the proper Government department or of any other competent authority, or of any interested party, whether an actual or a legal person, in conformity with the domestic laws of each country.

(4) The authorities shall not be bound to effect the seizure in transit.

(5) If the law of a country does not permit seizure at importation, such seizure shall be replaced by prohibition to import or by seizure within such country.

(6) If the law of any country permits neither seizure at importation, nor prohibition to import, nor seizure within the country, and until such time as this law shall be accordingly modified, these measures shall be replaced by the remedies assured to nationals, in such cases, by the law of such country.

ARTICLE 10

(1) The stipulations of the preceding article shall be applicable to every product which may falsely bear as indication of origin, the name of a specified locality or country when such indication shall be joined to a trade name of a fictitious character or used with intent to defraud.

(2) Any producer, manufacturer, or trader engaged in the production, manufacture, or trade of such goods and established either in the locality falsely designated as the place of origin, or in the district in which the locality is situated, or in the country falsely designated, or in the country where the false indication of origin is used, shall be deemed in all cases a party concerned, whether such person be actual or legal.

ARTICLE 10 BIS

(1) The countries of the Union are bound to assure to nationals of countries of the Union an effective protection against unfair competition.

(2) Any act of competition contrary to honest practice in industrial or commercial matters constitutes an act of unfair competition.

(3) The following particularly are to be forbidden:

1°. All acts whatsoever of a nature to create confusion in any way whatsoever with the establishment, the goods, or the services of the competitor;

2°. False allegations in the conduct of trade of a nature to discredit the establishment, the goods, or the services of a competitor.

ARTICLE 10 TER

(1) The countries of the Union undertake to assure to the nationals of other countries of the Union appropriate legal remedies to repress effectively all acts set forth in articles 9, 10, and 10 bis.

(2) They undertake, moreover, to provide measures to permit syndicates and associations representing the manufacturers, producers, or merchants interested, and of which the existence is not contrary to the laws of their country, to take action in justice or before the administrative authorities, with a view to the repression of the acts set forth in articles 9, 10, and 10 bis, so far as the law of the country in which protection is claimed permits such action to the syndicates and associations of that country.

ARTICLE 11

(1) The countries of the Union shall, in conformity with their own national legislation, accord temporary protection to patentable inventions, to utility models, and to industrial designs or models, as well as to trade marks in respect of products which shall be exhibited at official, or officially recognized, international exhibitions held in the territory of one of them.

(2) This temporary protection shall not prolong the periods provided by article 4. If later the right of priority is invoked, the competent authority of each country may date the period from the date of the introduction of the product into the exhibition.

(3) Each country may require, as proof of the identity of the object exhibited and of the date of introduction, such proofs as it may consider necessary.

ARTICLE 12

(1) Each one of the countries of the Union undertakes to establish a special government service for industrial property, and a central office for communication to the public of patents, utility models, industrial designs, or models and trade marks.

(2) This service shall publish an official periodical paper. It shall publish regularly—

(a) The names of the owners of the patents granted with a short designation of the patented inventions;

(b) Reproductions of the marks which have been registered.

ARTICLE 13

(1) The international office, established at Berne under the name of International Bureau for the Protection of Industrial Property, is placed under the high authority of the Government of the Swiss Confederation, which is to regulate its organization and supervise its working.

(2) The official language of the International Bureau shall be French.

(3) The International Bureau shall centralize information of every kind relating to the protection of industrial property; it shall collate and publish such information. It shall make a study of all matters of common utility to the Union and shall prepare, with the help of documents supplied to it by the various administrations, a periodical paper in the French language, dealing with questions regarding the purpose of the Union.

(4) The numbers of this paper, as well as the documents published by the International Bureau, are circulated among the administrations of the countries of the Union in proportion to the number of contributing units as mentioned below. Such further copies as may be ordered, either by said administrations or by companies or private persons shall be paid for separately.

(5) The International Bureau shall, at all times, hold itself at the service of members of the Union, in order to supply them with any special information they may need on questions relating to the international system of industrial property. The Director of the International Bureau will furnish an annual report on management which shall be communicated to all the members of the Union.

(6) The ordinary expenses of the International Bureau will be borne by the countries of the Union in common. Until further instructions, they must not exceed the sum of 120,000 Swiss francs per annum. This sum may be increased, in cases of necessity, by a unanimous decision of one of the conferences provided for by article 14.

(7) The ordinary expenses shall not include the costs relating to the work of plenipotentiary or administrative conferences nor the costs brought about by special work or by publications made in conformity with the decisions of a conference. These costs, of which the annual amount cannot exceed 20,000 Swiss francs, shall be apportioned among the countries of the Union in proportion to their contribution for the working of the International Bureau in accordance with the provisions of paragraph (8) hereinafter.

(8) To determine the part which each country should contribute to this total of expenses, the countries of the Union and those which may afterwards join the Union, shall be divided into six classes, each contributing in the proportion of a certain number of units, namely:

	Units
First class	25
Second class	20
Third class	15
Fourth class	10
Fifth class	5
Sixth class	3

These coefficients shall be multiplied by the number of countries in each class, and the sum of the results thus obtained shall give the number of units by which the total expense must be divided. The quotient shall give the amount of the unit of expense.

(9) Each one of the countries of the Union will designate, at the time of its accession, the class in which it wishes to be placed. However, each country of the Union may state later that it wishes to be placed in another class.

(10) The Government of the Swiss Confederation shall superintend the expenses of the International Bureau, advance the necessary funds, and render an annual account which shall be communicated to all the other administrations.

ARTICLE 14

(1) The present convention shall be submitted to periodical revisions with a view to the introduction therein of amendments calculated to improve the system of the Union.

(2) For this purpose conferences shall be held successively in one of the countries of the Union between the delegates of the said countries.

(3) The administration of the country in which the conference is to be held shall prepare for the work of that conference, with the assistance of the International Bureau.

(4) The Director of the International Bureau shall be present at the meetings of the conferences, and shall take part in the discussions, but without the privilege of voting.

ARTICLE 15

It is agreed that the countries of the Union respectively reserve to themselves the right to make separately as between themselves special arrangements for the protection of industrial property insofar as such arrangements do not contravene the provisions of the present convention.

ARTICLE 16

(1) The countries which have not taken part in the present convention shall be permitted to adhere to it upon their request.

(2) Such adherence shall be notified through the diplomatic channel to the Government of the Swiss Confederation, and by the latter to all the other Governments.

(3) It shall entail, as a matter of right, accession to all the classes, as well as admission to all the advantages stipulated in the present convention, and shall take effect 1 month after the dispatch of the notification by the Government of the Swiss Confederation to the other countries of the Union, unless a subsequent date has been indicated in the request for adherence.

ARTICLE 16 BIS

(1) Each one of the countries of the Union may, at any time, notify the Government of the Swiss Confederation, in writing, that the present convention shall be applicable to all or a part of its colonies, protectorates, territories under mandate or all other territories subject to its authority, or all territories under sovereignty, and the convention shall apply to all territories specified in the notification 1 month after the sending of the communication by the Government of the Swiss Confederation to the other countries of the Union, unless a subsequent date has been indicated in the notification. In the absence of this notification, the convention shall not apply to these territories.

(2) Each one of the countries of the Union may, at any time, notify the Government of the Swiss Confederation, in writing, that the present convention has ceased to be applicable to all or a part of the territories which have been made the object of the notification provided for in the preceding paragraph, and the convention shall cease to apply in the territories designated in this notification 12 months after receipt of the notification addressed to the Government of the Swiss Confederation.

(3) All notifications sent to the Government of the Swiss Confederation, in conformity with the provisions of paragraphs 1 and 2 of the present article, shall be communicated by this Government to all the countries of the Union.

ARTICLE 17

The execution of the reciprocal engagements contained in the present convention shall be subordinated, insofar as necessary, to the observance of the formalities and rules established by the constitutional laws of those of the countries of the Union which are bound to enforce the same, which they undertake to do with as little delay as possible.

ARTICLE 17 BIS

(1) The convention shall remain in force for an unlimited time, until the expiration of one year from the date of its denunciation.

(2) This denunciation shall be addressed to the Government of the Swiss Confederation. It shall be effective only for the country in whose name it shall have been made, the convention remaining in operation as regards the other countries of the Union.

ARTICLE 18

(1) The present act shall be ratified and the instruments of ratification shall be deposited in London not later than the 1st of July 1938. It shall come into force, between the countries in whose names it shall have been ratified, one month after such date. However, if before July 1, 1938, it is ratified in the name of at least six countries, it shall come into force between those countries one month after the Government of the Swiss Confederation has

notified them of the deposit of the sixth ratification, and for the countries in whose names it shall have been ratified thereafter, one month after the notification of each of these ratifications.

(2) The countries in whose names no instruments of ratification shall have been deposited within the period of time contemplated in the preceding paragraph shall be permitted to adhere under the terms of article 16.

(3) The present act shall replace, as regards relations between the countries to which it applies, the Convention of the Union of Paris of 1883 and the subsequent acts of revision.

(4) As regards the countries to which the present act does not apply, but to which the Convention of the Union of Paris, as revised at The Hague in 1925, does apply, the latter shall remain in force.

(5) Likewise, as regards the countries to which neither the present act nor the Convention of the Union of Paris, as revised at The Hague apply, the Convention of the Union of Paris as revised in Washington in 1911 shall remain in force.

ARTICLE 19

The present act shall be signed in a single copy, which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland. A certified copy shall be forwarded by the latter to each of the governments of the countries of the Union.

Done at London in a single copy, on June 2, 1934.

For Germany:
HOESCH
GEORG KLAUER
WOLFGANG KÜHNAST
HERBERT KÜHNEMANN

For Austria:
Dr. HANS WERNER

For Belgium:
COPPIETERS DE GIBSON
THOMAS BRAUN

For the United States of Brazil:
J. A. BARBOZA-CARNEIRO

For Cuba:
GABRIEL SUÁREZ SOLAR

For Denmark:
N. J. EHRENREICH-HANSEN

For the Free City of Danzig:
———

For Spain:
RAMÓN PÉREZ DE AYALA
FERNANDO CABELLO LAPIEDRA
JOSÉ GARCÍA MONGE

For the United States of America:
CONWAY P. COE
JOHN A. DIENNER
THOMAS EWING

For Finland:
J. KAUTOLA

For France:
MARCEL PLAISANT
ROGER CAMBON
GEORGES LAINEL
GEORGES MAILLARD

For Great Britain and Northern Ireland:
F. W. LEITH-ROSS
M. F. LINDLEY
WILLIAM S. JARRATT

For Australia:
B. WALLACH

For the Irish Free State:
———

For Hungary:
SCHILLING ZOLTÁN

For Italy:
EDUARDO PIOLA CASELLI
LUIGI BIAMONTI
ALFREDO JANNONI SEBASTIANINI

For Japan:
M. HOTTA
TAKATSUGU YOSHIWARA

For Liechtenstein:
W. KRAFT

For Morocco:
HALGOUET

For the United Mexican States:
G. LUDERS DE NEGRI

For Norway:
B. G. WYLLER

For the Netherlands:
J. ALINGH PRINS
J. VAN HETTINGA TROMP
A. D. KOELEMAN
H. F. VAN WALSEM

For Poland:
STEFAN CZAYKOWSKI

For Portugal:
JOAO DE LEBRE E LIMA
ARTHUR DE MELLO QUINTELLA SALDANHA

For Sweden:
BIRGER LINDGREN
AKE DE ZWEIGBERGK

For Syria and Liban:
MARCEL PLAISANT

For Switzerland:
W. KRAFT

For Czechoslovakia:
Dr. KAREL SKÁLA
Dr. OTTO PARSCH

For Tunis:
C. BILLECOCQ

For Turkey:
A. FETHI

For Yugoslavia:
Dr. JANKO CHOUMANE (SUMAN)

Mr. PITTMAN. Mr. President, this is an amendment to the original convention of 1883 dealing with patents and trade marks. It has been amended several times—in 1900, in 1911, and in 1925—and we now propose another amendment.

With regard to patents certain defects have been apparent. While the original convention provided for priority of a patent in one government during a period of years, yet as to another government, a party to the convention, there was some language excepting those obtaining priority rights. That was interpreted in some countries to mean that during the period of years in which a patent had been obtained in a foreign country, if some national of the foreign country should establish a factory for the manufacture of the patented material or the patented article, thereafter it should be considered an intervening prior right, which practically destroyed the benefit of priority to the patentee. That provision has been stricken out, so now the patentee of any article in one country has a year in which to patent it in any other country the government of which is a party to this convention.

There is only one other material change, and that is with regard to trade marks. Formerly, if there was a slight distinction made in the trade mark for which protection was applied for in one of the countries, protection would not be granted. That is eliminated. If the trade mark is substantially the trade mark for which protection was granted in the Government of its origin, it will be accepted and granted the usual privileges in the convention countries.

Again, there were trade marks that on occasions were used by two companies or two persons in a country. The International Union refused to register such a trade mark by reason of the fact that apparently there were two owners of it. Today that is treated as a joint ownership, and either one of the owners of the trade mark may register it in a foreign country that is a member of this convention.

Those are the only changes made.

The PRESIDING OFFICER. If there be no amendments, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive F, Seventy-fourth Congress, first session, an international convention for the protection of industrial property signed at London on June 2, 1934, by the plenipotentiaries of the United States of America and twenty-eight other countries, at an international conference convened for the purpose of revising the convention of the international union for the protection of industrial property, signed at Paris on March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, and at The Hague on November 6, 1925.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

SUPPLEMENTARY EXTRADITION TREATY WITH LUXEMBURG

The Senate as in Committee of the Whole, proceeded to consider Executive M (74th Cong., 1st sess.), a supplementary extradition treaty between the United States of America and the Grand Duchy of Luxemburg, signed at Luxemburg on April 24, 1935, which was read the second time, as follows:

SUPPLEMENTARY EXTRADITION TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE GRAND DUCHY OF LUXEMBURG

The President of the United States of America and Her Royal Highness the Grand Duchess of Luxemburg being desirous of enlarging the list of crimes on account of which extradition may be granted under the convention concluded between the United States and the Grand Duchy of Luxemburg on October 29, 1883, with a view to the better administration of justice and prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary convention for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States, the Honorable George Platt Waller, his Chargé d'Affaires ad interim near the Government of Her Royal Highness the Grand Duchess of Luxemburg; and

Her Royal Highness, the Grand Duchess of Luxemburg, His Excellency the President of Her Government, Mr. Joseph Bech, Minister of State, Minister of Foreign Affairs, etc., etc., etc.,

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE I

The following crimes are added to the list of crimes numbered 1 to 12 in article II of the said convention of October 29, 1883, on account of which extradition may be granted, that is to say:

13. Fraud or breach of trust by a bailee, banker, agent, factor, trustee, executor, administrator, guardian, director or officer of any company or corporation, or by anyone in a fiduciary position, where the amount of money or the value of the property misappropriated exceeds $200 or Luxemburg equivalent.
14. Crimes or offenses against the bankruptcy laws.
15. Kidnaping of minors or adults, defined to be the abduction or detention of a person or persons, in order to exact money from them, their families or any other person or persons, or for any unlawful end.
16. Larceny, defined to be the theft of effects, personal property, or money, of the value of $25 or more, or Luxemburg equivalent.
17. Obtaining money, valuable securities, or other property by false pretenses, where the amount of money or the value of the property so obtained exceeds $200 or Luxemburg equivalent.
18. Perjury.
19. Bribery.
20. Willful desertion or willful nonsupport of minor or dependent children, or of other dependent persons.
21. Crimes or offenses against the laws for the suppression of the traffic in narcotics.
22. Crimes or offenses against the laws for the suppression of the traffic in women and children, otherwise known as the "white-slave traffic."

ARTICLE II

The present convention shall be considered as an integral part of the said extradition convention of October 29, 1883, and article II of the last mentioned convention shall be read as if the list of crimes therein contained had originally comprised the additional crimes specified and numbered 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22, in the first article of the present convention.

The present convention shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications which shall take place at Luxemburg as soon as possible.

In witness whereof the above mentioned plenipotentiaries have signed the present convention both in the English and French languages and have hereunto affixed their seals.

Done, in duplicate, at Luxemburg, this twenty-fourth day of April in the year of our Lord one thousand nine hundred and thirty-five.

[SEAL] GEORGE PLATT WALLER.
[SEAL] BECH.

Mr. PITTMAN. Mr. President, this is another extradition treaty. It adds a number of offenses to those which originally were specified in the treaty between our country and Luxemburg. I will read them:

14. Crimes or offenses against the bankruptcy laws.
15. Kidnaping of minors or adults, defined to be the abduction or detention of a person or persons, in order to exact money from them, their families, or any other person or persons, or for any unlawful end.
16. Larceny, defined to be the theft of effects, personal property, or money, of the value of $25 or more, or Luxemburg equivalent.
17. Obtaining money, valuable securities, or other property by false pretenses, where the amount of money or the value of the property so obtained exceeds $200 or Luxemburg equivalent.
18. Perjury.
19. Bribery.
20. Willful desertion or willful nonsupport of minor or dependent children, or of other dependent persons.
21. Crimes or offenses against the laws for the suppression of the traffic in narcotics.
22. Crimes or offenses against the laws for the suppression of the traffic in women and children, otherwise known as the "white-slave traffic."

Those are the additions to the treaty.

The PRESIDING OFFICER. If there be no amendments, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive M, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States of America and the Grand Duchy of Luxemburg, signed at Luxemburg on April 24, 1935.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified.

SUPERVISION OF INTERNATIONAL TRADE IN ARMS

Mr. PITTMAN. Mr. President, I have one other request to make of the Senate.

I have seen the Senator from Utah [Mr. KING], who is very much fatigued, and has asked the privilege that Calendar No. 12, being Executive H—Sixty-ninth Congress, first session—be not considered today, and I did not like to impose upon him in his present condition of health.

I spoke to the Senator in charge of the unfinished business, the Senator from Montana [Mr. WHEELER], and asked him if he would have any objection, if other Senators did not object, to having an executive session tomorrow afternoon so that we might consider this treaty. The Senator from Utah stated that he did not think he would desire to discuss it for over 30 minutes.

If it is not objectionable, I am going to ask, with the approval of the Senator from Arkansas [Mr. ROBINSON], at what hour tomorrow we might have consideration of this treaty. It is a treaty for the supervision of the international trade in arms and ammunition and in implements of war.

Mr. ROBINSON. I suggest the hour of 4 o'clock, if that suits the convenience of the Senator.

Mr. PITTMAN. Then I ask unanimous consent that at 4 o'clock tomorrow the Senate go into executive session for the consideration of Calendar No. 12, Executive H—Sixty-ninth Congress, first session—a Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, Switzerland, on June 17, 1925.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I did not understand the subject matter of the convention, nor the hour, nor the request.

Mr. PITTMAN. There is one convention on the calendar which has been there for quite a while. It is the convention for the international control of the transportation of arms. It was to come up this afternoon. I will say to the Senator from Oregon that it is the first matter on the Executive Calendar. The Senator from Utah [Mr. KING] desires, however, to make a statement with regard to the convention, and is not feeling well enough today to take part in the debate. I therefore have asked that we may consider the convention at some time tomorrow.

Mr. McNARY. What time does the Senator suggest?

Mr. PITTMAN. I spoke to the Senator from Montana [Mr. WHEELER], who is in charge of the unfinished business, and I asked the Senator from Arkansas [Mr. ROBINSON] what hour he thought would be convenient. The Senator from Arkansas suggested that probably 4 o'clock tomorrow would be convenient, if there is no objection from others. That is the request I make. Does the Senator from Oregon desire any change in it?

Mr. McNARY. Mr. President, I feel that probably we should be more orderly in carrying forward the business of the session. We are all anxious to get away, and 4 o'clock is almost the end of the day. Why cannot the Senator wait until we dispose of the unfinished business before taking up the treaty?

Mr. PITTMAN. I will say to the Senator from Oregon that the State Department considers it a very important

treaty, as I think all the members of the Foreign Relations Committee do. Personally, I certainly do. This treaty was ratified previously, but the action was reconsidered so that a change might be made as to a reservation. There is only one reservation changed in it. The Senator from Utah [Mr. KING] alone insists on the reservation being put back in the treaty. I do not think it will take over 30 minutes to debate it.

Mr. McNARY. If that be true, why would not 4:30 be an appropriate time?

Mr. PITTMAN. That is satisfactory. Then I renew my unanimous-consent request, asking that the time be changed to 4:30.

Mr. LA FOLLETTE. Mr. President, did the Senator make any statement with regard to the copyright treaty, and what his intentions are concerning that?

Mr. PITTMAN. I did upon yesterday; not today.

Mr. LA FOLLETTE. The Senator does not intend to have it considered today?

Mr. PITTMAN. No. I stated yesterday that by reason of an understanding between the Senator from Wisconsin [Mr. DUFFY], chairman of the subcommittee, and others, it was agreed to bring up that treaty at the same time as a bill which we hope will be reported from the Committee on Patents.

Mr. LA FOLLETTE. I desired to be certain that that understanding was to be carried out.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement as modified? The Chair hears none, and the agreement as modified is entered into.

That completes the Executive Calendar.

Without objection, the Senate will return to legislative session.

LEGISLATIVE SESSION

The Senate resumed legislative session.

DISPOSITION OF RECORDS, FILES, ETC., OF FEDERAL AVIATION COMMISSION

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 92) making final disposition of records, files, and other property of the Federal Aviation Commission, which were, on page 2, line 3, to strike out "June 1" and insert "June 15", and on the same page, line 11, to strike out "June 1" and insert "June 15."

Mr. ROBINSON. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

LAS VEGAS HOSPITAL ASSOCIATION, LAS VEGAS, NEV.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 416) for the relief of Las Vegas Hospital Association, Las Vegas, Nev., which was, on page 1, line 14, after "Washington", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. PITTMAN. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

GERMANIA CATERING CO., INC.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 41) for the relief of the Germania Catering Co., Inc., which were, on page 1, line 6, after the figures "$5,000", to insert a comma and "in full settlement of all claims against the Government of the United States"; and on the same page, line 12, after the word "provisions", to insert a colon and the following:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COPELAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EMMETT C. NOXON

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 42) for the relief of Emmett C. Noxon, which was, on page 1, line 7, to strike out the word "represents" and insert "shall be in full settlement of all claims against the United States for."

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. BROWN. Mr. President, I have had some experience with State regulation of utilities. I served upon the New Hampshire Public Service Commission for more than 7 years. The duties of that body included, in part, the general supervision of utilities with respect to carrying into effect the laws relating to them, the necessity of keeping informed as to their capitalization, franchises, manner of operation, compliance with law or orders of the commission, and, of its own motion, to investigate as to rates or any violation of law or commission order. When I was appointed I was not completely unsophisticated; I did not expect the process of regulation to be mere child's play. But I must confess that my experience on the New Hampshire Public Service Commission was a revelation to me.

New Hampshire is not a large State. It has an area of something less than 10,000 square miles. Nor is it a densely populated State, having a population of approximately 465,000. The utility problem in that State ought not to be extremely complicated. Electric service is widely provided, and we enjoy a high percentage of rural electrification compared with other States. Our people are intelligent, industrious, and law-abiding. They want only a fair deal for themselves and have always ungrudgingly extended a fair deal to outside capital. In our State there was not the slightest justification for the utilities mixing in politics or indulging in tactics which Professor Ripley in "Main Street and Wall Street" so aptly characterized as "prestidigitation, double shuffling, honeyfugling, hornswoggling, and skullduggery."

When I first read that description of the holding company by Ripley a number of years ago I thought the learned professor was carried away by the flow of his exuberant words into a bit of overstatement. But I have learned from experience that the dangers of this holding-company business have been understated, not overstated. When I was appointed to the Public Service Commission of New Hampshire I was not wholly ignorant of the dangers of absentee ownership and excessive concentration of economic power in the textile industry, but I was utterly amazed to find the degree to which absentee ownership and excessive concentration of power was carried out in the utility field from 1925 on.

About half a dozen foreign holding companies now completely dominate and control the power industry throughout the length and breadth of the State of New Hampshire. I

was astonished at the brazen sense of irresponsibility that accompanied that control. I want to say to you, Mr. President, that if the stamp of some of the men with whom I have had to deal as representatives of the Associated Gas & Electric and Insull systems are to be permitted to continue to control large aggregations of other people's money invested in the utility field or in other essential industries, the kind of economic individualism and political democracy upon which this country was built cannot survive.

In reply to those well-meaning gentlemen who believe that regulation of holding companies is what we need, I invite attention to one H. C. Hopson, who stops sometimes at 61 Broadway, New York City. Mr. Hopson is the dominant figure and guiding spirit of the Associated Gas & Electric System. As a dominant figure he is a marvel, and I think he admits it. As a guiding spirit he leaves nothing undone to accomplish his purpose, and I may say that his chief purpose appears to be acquiring the coin of the realm. If I am rightly informed, he was a member of the staff of the New York Public Utilities Commission before he became a utility magnate, so he knows the game from all angles. One feeling like regulation might start out some New Year's Day with the intention of trying during that calendar year to drive that bird and his outfit to cover, and if he does not express a desire to quit the job in defeat and disgust before Decoration Day, then the individual attempting to regulate has an ability to absorb punishment far beyond anything I have heretofore observed. The Associated Gas & Electric System includes 164 companies, 42 of which have securities in the hands of the public. Companies of the system are found in many States. In my opinion under the present set-up, no body can effectively regulate such an organization. It is too big, too powerful, its officials are too fast, and its lawyers too smart.

Between the destruction of the holding company and the destruction of our democracy, the choice for me is not difficult, because I know that the choice is inevitable. I have seen these giant holding companies come into our State, where the utility problem should be a very simple one, and bring to the people, not the benefits of operating economies or of improved services, but all the corrupting and corroding influences of irresponsible absentee management and misused economic power.

I have seen them juggle their books, juggle their cash, juggle foreclosure sales where they were both buyer and seller, juggle their taxes, juggle their lawyers, their accountants and their engineers.

When we attempted to investigate the operations of these holding companies we were overwhelmed with wave after wave of lawyers, accountants, engineers—a new crowd of shock troops every week—gathered from different sections of the country.

When Boston lawyers could not convince the commission they would call on Philadelphia lawyers. And if Philadelphia lawyers could not accomplish their purpose they sent to us other hair-splitting legalists. And by subtle and well-distributed retainers, they seemed to have managed to bring under their influence virtually all the utility engineering firms of repute, so that our commission was at a loss to procure honest and independent engineering advice.

The confusing nature of the intercorporate relationships in a holding-company system hopelessly complicated the task of the State commission. The subsidiaries were all one company when it suited the holding company managers' purposes and they were separate and distinct entities with sacred constitutional rights whenever there was a chance of escaping the arm of the law.

Our commission could never even be certain as to the number of holding companies doing business in the State, because it is almost impossible for a State commission to discover the holding company or companies controlling an operating company, providing the representatives of the controlling company are not disposed to divulge the truth of the matter. More than once have I seen the person in charge of an operating company claim and insist that he did not know where the company was located which was over him; did not know the name of his boss; and did not know where he lived.

In most of the States there is a requirement that the operating company file an annual report, which report is generally made up under the supervision of the holding company. These reports, among other things, purport to show what holding company is in control, and the statement with relation thereto may or may not be true. In any event, if there is a change in holding companies 15 minutes after the report is filed, there is nothing to be done about it. It may be that no one will know the actual controlling interest for another year, and perhaps no one interested from a public standpoint will ever know.

In 1930, after repeated unsuccessful efforts to obtain the facts informally with relation to a holding company system having operating companies in New Hampshire, the regulatory body of which I was a member instituted a formal investigation for the purpose of gaining information as to whether or not certain operating companies in our State, controlled by a holding-company system which is doing business over a considerable part of this country, were complying with the law and orders of the commission, and to obtain evidence in detail as to the capitalization, franchises, and manner in which the lines and property controlled by this holding-company system were managed and operated. This investigation, with the court procedure entailed, covered some 2 years, and certain phases of the case are now before the Supreme Court, more than 5 years after initial steps for investigation were taken.

I do not think anyone can appreciate the hopeless task of trying to regulate anything of the size and power of Associated Gas or Insull unless he has lived with the nightmare. I have been impressed by the fact as I have talked with other Senators that it is only when you have lived and fought and died with these companies in an energetic regulatory commission that you have much idea of how dangerous they are to the public.

Holding companies and their subsidiaries or affiliated corporations or associations now provide various managerial, purchasing, construction, engineering, financial, accounting, advertising, and legal services. Such intercompany transactions are carried out under contracts which confuse and confound regulation.

Under these contracts profits are tapped in the guise of operating expenses or capital charges, and it has become increasingly difficult to determine if more than a fair return accrues from operations. Under holding-company accounting one cannot fix a fair rate for local utilities unless one breaks down the pro rata cost of service contracts involving utilities in many States, an impossible task for a State commission, even if it could get at the records which the holding companies manage to keep out of the jurisdiction.

Let me show the Senate concretely the way Associated Gas managed to do it in my State. I have here a memorandum of a management contract between a holding company or affiliate located outside my State and an operating company within my State, effective for a period of 10 years beginning June 1, 1929. I have substituted the name management corporation for the real name of the holding company or affiliate as set forth in the form contract, and, for the sake of brevity, have deleted unimportant verbiage contained therein.

I have here a memorandum of a construction contract between a holding company or affiliate located outside my State and an operating company within my State, effective for a period of 10 years beginning June 1, 1929. I have substituted the name construction company for the real name of the holding company or affiliate as set forth in the form contract, and, for the sake of brevity, have deleted unimportant verbiage found therein.

I also have here a memorandum of a purchasing contract between a holding company or affiliate located outside my State and an operating company within my State, effective for a period of 10 years beginning October 1, 1928. I have substituted the name purchasing company for the real name of the holding company or affiliate as set forth in the form

contract, and, for the sake of brevity, have deleted unimportant verbiage found therein.

I further have here a memorandum of an appliance contract between a holding company or affiliate located outside my State and an operating company within my State, effective for a period of 10 years beginning December 1, 1928. I have substituted the name appliance corporation for the real name of the holding company or affiliate as set forth in the form contract, and, for the sake of brevity, have deleted unimportant verbiage found therein.

Mr. President, I ask unanimous consent that these four memoranda be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memoranda referred to are as follows:

MEMORANDUM OF MANAGEMENT CONTRACT

Section 2: The duty of the Management Corporation to consult with and advise the officers, directors, and employees of the local utility "with respect to the operation of the properties * * * and * * * to plan and direct the carrying out of operating programs and policies * * * and to supervise the conduct of its business" with "the following duties and authority."

(a) It has "authority to employ on behalf of the" local utility, "such persons as it may deem proper as employees of the" local utility, "in the operation of its properties and to discharge such employees and fix their compensation."

(b) It "shall advise and consult with the" local utility "and or the purchasing agent" of the local utility "to the end * * * insofar as * * * possible to make such purchases to the best advantage of the" local utility.

(c) It "may formulate and direct and will supervise" the bookkeeping and if requested by the board of directors "supervise the preparation of * * * reports * * * required by law * * * and upon request make reports for the board of directors of the affairs * * * and results of operation * * *."

(d) It will advise and supervise in the compilation, analysis, and presentation of statistics as may be requested, investigate operating results, and endeavor to remedy any faults to improve service and secure more efficient and economical operating methods.

(e) It will advise as to policies to be followed for business extension and securing new customers and "with respect to the relative merits of various appliances for use by customers and methods of introduction and sale of such appliances to customers."

(f) It will advise re wholesale purchase or sale of gas or electricity and byproducts, if any, and assist in negotiation and preparation of contracts.

(g) It will supervise current finances and assist in securing bank loans or other funds for current purposes.

It will advise regarding financial needs from an operating standpoint and cooperate with local utility's "financial experts" (hired by the Management Corporation under (a) above) "in the formulation of financial policies." It will cooperate with the "construction manager" "in maintaining a system of annual budgets providing for programs of extension and improvements * * * and setting forth * * * financial requirements * * *."

(h) It will supervise and direct placing of insurance.

(i) At its expense furnish "divisional general manager and a divisional accounting officer" to "superintend locally the operation of the properties and the accounts of financial records."

(j) It "will keep in touch with all legal problems" and recommend * * * such legal assistance as in its judgment may be necessary and * * * confer with and assist the attorneys * * * incident to financing, organization of new companies, reorganizations, consolidations, and all other actions of this character." The Management Corporation "will act under the direction of said attorneys."

(k) It "will assist in the formulation of rate schedules * * * and * * * in their application." Will assist in "preparation of papers and statements on any application to the Public Service Commission or on hearings affecting rates or other matters over which the Public Service Commission * * * has jurisdiction, and will see that" the local utility "is properly represented."

It will "keep informed as to decisions and orders of the Public Service Commission * * * and as to the decisions of the courts * * * and * * * advise" the local utility "as to important decisions or rulings."

(l) Its "engineering staff * * * will be available in New York * * * for consultation and advice on all operating engineering questions."

(m) It will "furnish at its * * * expense * * * office space and services incidental to maintaining its own organization at its office, including the services of clerks, stenographers, office boys, and similar assistants."

Section 3: "Authority herein * * conferred" on the management corporation is "subject to such limitations as the laws of the State of incorporation of the" local utility (New Hampshire) "may impose, and subject also to the general supervision and control of the board of directors of the" local utility. "Nothing * * * shall be deemed * * * as a surrender or abandonment by the board of directors of the" local utility "of any powers or duties imposed upon them by law, nor as a delegation of any authority or duty which may not be lawfully delegated by the board * * * it being the intention hereof that" the management corporation "shall have * * * only such authority and duties as might be lawfully delegated by the board * * * to an individual employed * * * for similar purposes."

Section 4: The management corporation, while given no authority "with respect to construction of additions or betterments * * * or acquisition of additional properties or * * * financing the cost * * * or other permanent financing" it "shall consult with the officers, directors, or other employees * * * in charge thereof and furnish such advice and cooperation as may be necessary * * * that such * * * may conform with the general operating and business needs of the" local utility.

Section 5: The management corporation has "at all times * * * full access to all * * * properties, books, and records" of the local utility "and shall be given full information * * *."

Section 6: The management corporation "shall be considered an employee" as shall employees whether engaged by it or not. Local utility to hold it harmless for any act or omission by employees.

Section 7: From date the Management Corporation gets a fee of 2½ percent per annum of gross earnings payable monthly.

Section 8: The local utility is to reimburse the Management Corporation "for all expenses necessarily incurred * * * for traveling or other incidentals (exclusive of the regular New York office expense. * * *)." Local utility also is to reimburse the Management Corporation for the salaries of its "subordinate employees who may * * * be engaged with the consent of the" local utility, "outside of the duties" of the Management Corporation under the contract.

Section 9: The local utility is to pay or reimburse the Management Corporation for all expenses incurred for employment with consent of local utility "of accountants, engineers, or financial or other expert employees * * * involving rates, taxes, finances, or other specialized services, it being the intent of this contract that in all such matters the services of", the Management Corporation "shall be chiefly of a directing, supervising, and advisory character, the actual * * * work to be done by the regular employees of the" local utility "or others employed by it * * * or for its account by" the Management Corporation.

Section 10: The contract covers properties after acquired.

Section 11: The Management Corporation may delegate authority and duties "to such * * * as in" its opinion "* * * shall be properly qualified" but to be paid by the Management Corporation at no "additional expense" to local utility except for incidental expenses, as per 8 above.

Section 12: The agreement to continue in force for 10 years and thereafter from year to year, terminable upon 60 days' notice.

Section 13: Liability of officers, stockholders, and directors is waived.

Section 14: Agreement binds the successors and assigns of the respective parties.

MEMORANDUM OF CONSTRUCTION CONTRACT

Section 2: The duty of the construction company to consult with and advise the officers, directors, and employees of the local utility "with respect to the requirements * * * for construction and additions to * * * properties * * * and to plan and direct the carrying out of construction programs and policies * * * and to supervise the execution thereof" with "the following duties and authority":

(a) It "shall keep itself thoroughly informed * * * of the needs * * * for improvements, betterments, extensions, and additions to the properties for the purpose of adequately taking care of the business * * * increasing the business * * * and adding to the efficiency and economy of operation * * * and * * * whenever, in its judgment, it shall seem advisable, or when requested * * * make * * * recommendation * * * desirable, for the improvement, betterment, enlargement, or extension of the plant, system, or facilities."

(b) It "shall * * * supervise and direct the construction of all improvements, extensions, and additions to the properties * * *. * * * the duties * * * shall not include the preparation of plans and specifications and other detailed engineering services and the field supervision of construction work."

(c) It may "contract * * * in the name of" the local utility "for such labor and engineering services * * * order * * * materials and apparatus * * * necessary for the construction * * *." It may "not contract for expenditures for labor and engineering services, or order materials and supplies in excess of $5,000 for any single general purpose, unless * * * approved * * * generally or specially by the board of directors" of the local utility.

(d) It "shall advise * * * whenever * * * advisable * * * to acquire any adjoining plants or systems or plants or systems which * * * may be advantageously combined or operated in conjunction with the plants or systems of the" local utility "and shall also advise * * * as to the terms upon which such additional properties may be advantageously acquired."

(e) Its "engineering staff * * * will be available in New York * * * for consultation and advice in connection with cost estimates and designs prepared by the" local utility "will assist in the application * * * of standardized designs and types of construction devised to promote efficiency * * * and economy will keep in touch with new * * * developments * * * and advise * * * as to any new or improved types of machinery or apparatus that should be installed * * *."

(f) It will "furnish at its * * * expense * * * office space and services incidental to maintaining its own organization

at its office, including the services of clerks, stenographers, office boys, and similar assistants."

Section 3: "Authority herein * * * conferred" on the construction company is "subject to such limitations as the laws of the State of incorporation" of the local utility (New Hampshire) "may impose and subject also to the general supervision and control of the board of directors of the" local utility.

"Nothing * * * shall be deemed * * * as a surrender or abandonment by the board of directors of the" local utility "of any powers or duties imposed upon them by law, nor as a delegation of any authority or duty which may not be lawfully delegated by the board * * * it being the intention hereof that" the construction company "shall have * * * only such authority and duties as might be lawfully delegated by the board * * * to an individual employed * * * for similar purposes."

Section 4: It has "at all times * * * full access to all * * * properties, books, and records" of the local utility "and shall be given full information."

Section 5: It "shall be considered an employee" as shall employees whether engaged by it or not. Local utility to hold it harmless for any act or omission by employees.

Section 6: From date the construction company gets a fee of 7½ percent "of the gross amount charged or chargeable since" June 1, 1929, "to the plant or property accounts of the" local utility, payable monthly.

Section 7: The local utility is to reimburse the construction company "for all expenses necessarily incurred * * * for traveling or other incidentals (exclusive of the regular New York office expense * * *)." Local utility also is to reimburse the construction company "for the salaries of the latter's subordinate employees who may * * * be engaged, with the consent of the" local utility, "outside of the duties of the" construction company under the contract.

Section 8: The local utility is to pay or reimburse the construction company for all expenses incurred for employment with consent of local utility "of accountants, engineers, or other professional, or expert employees * * * involving specialized services, it being the intent of this contract that in all such matters the services of" the construction company "shall be chiefly of a directing, supervising, and advisory character, the * * * work to be done by the regular employees of the" local utility "or others employed by it * * * or for its account by the construction company.

Section 9: The contract covers properties after acquired.

Section 10: The construction company may delegate authority and duties "to such * * * as in" its opinion "* * * shall be properly qualified" but to be paid by the construction company at no "additional expense" to the local utility except for incidental expenses as per 7 above.

Section 11: The agreement to continue in force for 10 years and thereafter from year to year, terminable upon 60 days' notice.

Section 12: Liability of officers, stockholders, and directors is waived.

Section 13: Agreement binds the successors and assigns of the respective parties.

MEMORANDUM OF PURCHASING CONTRACT

Section 1: (a) Purchasing agent to purchase or supervise purchase of all apparatus, supplies, and materials; and

(b) Consult with utility re its needs; and

(c) Supervise shipping transportation, delivery, inspection, and distribution of said purchases.

Section 2: Utility to pay a fee of 1½ percent of amount paid for purchases.

Section 3: Purchasing agent authorized to contract on behalf of utility, execute "drafts, bills of exchange, acceptances, bills of lading, warehouse receipts, and other shipping documents." Also authorized to combine purchases with other utilities for which it also acts as purchasing agent.

Section 4: Purchasing agent released from liability for purchases made in good faith.

Section 5: Utility may examine books of purchasing agent, "but only pertaining to the performance by the purchasing agent of its duties under this agreement and/or to the compensation and reimbursement of the purchasing agent."

Section 6: Purpose and intent of "agreement that all of the apparatus, supplies, and materials required by the utility for its business shall be purchased under the supervision and/or through the agency of the purchasing agent", it to be notified "in writing of all * * * requirements."

Section 7: Purchasing agent "shall be considered an employee."

Section 8: Utility to reimburse purchasing agent "for all expenses necessarily incurred * * * for traveling or other incidentals (exclusive of the regular New York office expense of the purchasing agent)."

Section 9: Purchasing agent may delegate authority and duties "to such * * * as in the opinion of the purchasing agent shall be properly qualified", but to be paid by the purchasing agent at no "additional expense" to the local utility for incidental expenses, as per 8 above.

Section 10: Liability of officers, stockholders, and directors is waived.

Section 11: Agreement to continue in force for 10 years and thereafter from year to year, terminable upon 60 days' notice.

Section 12: Agreement binds the successors and assigns of the respective parties.

MEMORANDUM OF APPLIANCE CONTRACT

Appliance Corporation consigns all appliances required by the operating company at cost and the operating company in the promotion of its business will through its own new business department sell the appliances consigned to its consumers. The operating company will bill the goods and make the collections therefor in its own name, it being understood, however, that title to the appliances is at all times in the Appliance Corporation until the appliances are sold to consumers. At the close of each month or shortly thereafter the operating company is to remit to the Appliance Corporation the proceeds of sales of appliances made during the month, less all losses and expenses, with the exception of those expenses which are purely selling and promotional, and also less a commission for the sale of appliances as hereinafter indicated.

Pursuant to this plan the Appliance Corporation will—

1. Deliver on consignment to the operating company a full line of appliances and maintain same at the expense of the Appliance Co., without cost to the operating company and without remission of any proceeds to the Appliance Corporation until appliances are sold.

2. Provide experienced appliance directors, whose salaries and traveling expenses are paid by the Appliance Corporation, and who will assist the operating company in directing its appliance sales activities, including campaign boosting, testing of appliances, conferring with manufacturers, etc.

3. Reimburse the operating company for the carrying charges on installment sales:

(a) Three percent added to the sales price to cover billing and collecting expense, and bad debts.

(b) The balance of the carrying charge, i. e., 3 percent to 9 percent added to the sales price, depending on the number of monthly installment periods and local usage, to cover interest on deferred payments.

4. Pay the operating company a commission of 2½ percent of the actual proceeds from sales which is designed to reimburse the operating company for—

(a) Checking appliances received against the order and the vendor's invoice, and the expense of vouchering, bookkeeping, and paying vendor's invoice.

(b) Expenses in connection with appliances between the time they are received by the operating company and the delivery to the consumer, such as storage, handling, insurance, light, heat, and other storeroom overhead, bookkeeping for perpetual inventories, and taking semiannual inventories for the consignor.

5. Reimburse the operating company for the cost of installing the appliances on consumer's premises.

6. Assume all losses in inventory due to depreciation in value, through obsolescence, wear and tear, etc., and will permit the operating company to sell appliances, in cases where regular list price is unobtainable, for what they will bring, on permission from the appliance corporation, such loss to be assumed by the appliance corporation.

7. Take back into its own stock appliances which it is necessary to repossess, and assume the loss on repossessions.

8. Reimburse the operating company for reconditioning repossessed appliances.

9. Reimburse the operating company for payments made by it on behalf of the appliance corporation.

(a) Vendor's invoices.

(b) In-freight and in-delivery expenses.

10. Furnish the operating company with such appliances as it consumes in operations at cost to the appliance corporation.

11. Bear all discounts on sales of appliances to employees of operating company.

On the other hand, the operating company engages to promote the sales of the consigned appliances, to give an account of its consigned appliance transactions monthly, and to perform such acts as are implied in the above, and for which consideration to the operating company has therein been provided.

What appliances include

Appliances comprise all current-consuming devices. It includes appliances, lamps (except street lamps), fuse plugs, and commercial signs, but does not include spare parts nor jobbing materials and supplies. Appliances include irons, stoves, refrigerators, percolators, toasters, washers, house heaters, vacuum cleaners, ornamental lamps, egg boilers, curlers, exercisers, sunshine lamps, etc. Gas appliances are included as well as electric.

Mr. BROWN. If Senators will look at that management contract, they will note that the management corporation, which is really the holding company, plans and directs the carrying out of operating programs and policies, with the right to employ, on behalf of the local company, such persons as it may deem proper as employees, and fixes their compensation. For that service the holding company gets 2½ percent per annum of the gross earnings of the operating company, payable monthly.

This is the cost-plus system at its worst. In the course of an investigation undertaken by the Commission, it appeared that such management fees for a considerable period of time were accumulated on the books on a monthly basis

and interest at 8 percent compounded monthly thereafter charged. When asked as to the margin of profit under the contract, the representative of the Management Corporation stated, "I do not know, and I do not know how to obtain such information." Later he testified he did not know the profits of the Management Corporation under the contract, nor had he any idea how we could find out.

But charging high interest rates for money loaned and making costly management contracts are not the only devices used to tap profits of local companies. Another idea employed is that shown in the engineering and construction contract I have given here. Everyone knows a public utility requires engineers of many types, and a profit is taken out in this manner.

Under that construction contract the construction company—another holding company dummy—receives a fee of 7½ percent of the gross amount charged or chargeable to the plant or property accounts of the local utility, payable monthly, and certain expenses. Such fees for managing holding companies' own properties are not legitimate expenses of operations. They amount to nothing less than padded accounts. As in the case of the management contract aforementioned, at the investigation no witnesses were able to state what profit accrued to the holding company from this construction contract.

A public utility is entitled to charge such rates as will create sufficient income to provide a fair return upon the value of its property used and useful, and devoted to the utility business. Application of this rule necessitates the determination of what property is used and useful, its value, and what sum will give the return then considered fair. In determining that sum, proper operating expenses are deductible from the total operating revenues. If the owner of a utility increases operating expenses by payments to himself, subsidiary corporations, or affiliated companies, those payments are simply unconscionable profits taken out of the operating utility through the special position occupied by the holding company. Funds for operating expenses are received from the application of rates paid by the public, and a regulatory body is entitled to know what profit results from each such transaction. In other words, there may be certain operating expenses, part of which are in fact not an expense to the owner and should not be to the utility owned.

The greater the value of the plant devoted to the public service the larger the income must be to pay a fair return on that value. In rate cases the engineers for the utility almost always evidence a value in excess of that testified to by engineers representing the complainant. Any enhancement of plant value is to the advantage of the owners of the utility. Regulatory bodies aim to prevent increasing the plant or capital account by charges which are too high or otherwise improper. If the owner of a utility elects to perform work of a capital nature, or have it done by a subsidiary or affiliated corporation, there may result charges to plant account which are burdened with an unjust profit, as before stated, with respect to operating expenses. But padded costs are more important in construction work than in operating expenses. Operating expenses are an annual outlay, but the capital account representing the plant value is the foundation upon which rests any rate structure, and, barring amortization or depreciation, plant value once established is never lessened.

Under the purchasing contract I exhibited to the Senate, the operating utility employs the holding company or affiliate as purchasing agent. This contract applies to everything except what might be termed local purchases. No one connected with the local utility can go out and buy anything, barring a few minor items. The purchasing agent receives from the operating utility 1½ percent of the amount paid for purchases.

Let us look at the appliance contract. In my State, as well as in many others, it is the practice of electrical utilities to engage in the business of selling appliances. The business is generally considered profitable as a revenue producer and as a load builder through increased consumption. In the investigation by our commission it developed that the local utilities had ceased conducting an appliance business, and a holding-company agency, which we will call the "Appliance Corporation" was carrying on that business, but carrying it on from the offices of the local operating companies, with all the work being done by the employees of the operating companies. There is a margin of about 30 percent in the sale of appliances which was taken from the operating companies and given to the holding company.

All advertising by local utilities of the holding system creating these contracts was required to be done through a concern in New York City. No contract for this service existed, but a fee was charged just the same. What profit results therefrom is unknown. The immediate holding-company stockholder of the New Hampshire utilities advertises from time to time. When it does so, whether in New Hampshire or elsewhere, the local utilities pay their proportionate part of the cost based on gross revenue.

It may be of interest to know it was developed during the investigation that the books of the local operating utilities were annually audited by a firm controlled by the treasurer of two holding companies, and, further, that the books are not audited by any certified accountant not affiliated with the system.

To recapitulate, we have:

First. A management contract where the holding company is paid by the operating company 2½ percent per annum of gross earnings of the operating company, payable monthly, plus certain expenses.

Second. A construction contract giving to the holding company or affiliate a fee of 7½ percent of the gross amount charged or chargeable to the plant or property accounts of the operating company, payable monthly, and certain expenses.

Third. A purchasing contract where the holding company or affiliate receives 1½ percent of the amount paid for purchases by the operating utility.

Fourth. A plan as to appliances where the holding company or affiliate gets a margin of 30 percent profit on the sales by the operating utility.

Fifth. An advertising arrangement in which a fee is charged.

The New Hampshire commission was never able to get any information with respect to the amount of profit accruing to the holding company or affiliate on any of these contracts. I have always maintained, and still do, that where companies are commonly owned or have a common interest no profit should be allowed in their dealings one with the other.

A purchasing agent controlled by and affiliated with a holding company should not be a profit-making corporation to the common owners of it and the subsidiary utilities served. What profit is made, if any, should be disclosed and the local utilities given the full advantage secured by this centralized purchasing. That theory is carried out in the provision for mutual service companies in section 13 of this bill.

The appliance contract to which I have referred well illustrates how the profits of an operating utility can be siphoned out by a holding company and subsidiary device. It is fair to presume this practice would not be followed if the benefits derived accrued to some unaffiliated concern. It is merely a scheme whereby the local utility does the same business it did originally, in the same way, with the same facilities, through the same office and working force, and the profits are diverted to another subsidiary for the benefit of the same ultimate owners.

I hope the Senate will not be misled by the fine talk of the high-paid holding company managers and high-paid lawyers and lobbyists. Those of us who have had to deal with this holding company business know that it is not a business but a racket.

Mr. President, there used to be a time when a man in business in this country, in anticipation of selling his product or goods to the public, would sit down and endeavor to figure out for how low a price he could sell his goods and make a fair profit. Nowadays, everything is changed along that line and

apparently men in business figure not for how low a price they can afford to sell, but for how high a price they can sell their goods and have the public stand for it. Added to that, in other furtherance of their greediness and selfishness, they "trim up" in every way possible whether within or without the law. In short, they try to beat the game.

That is the economics of the whole holding company business—a racket, a racket that invents a lot of unnecessary high-sounding services for which it milks operating companies and eventually takes its toll out of investors and consumers.

The holding company boasts of the great expansion in the electric industry and the technical advances which have accompanied it, as if the holding company alone were responsible for the expansion and the technical advances in the arts which made it possible. It is nearer the truth to say that the holding company came in after the feast was spread, denuded the tables of whatever was really worth eating, and left the mere bones to the poor investor whose savings created this development.

I hear much talk about investors in holding company securities. Nobody has told me how many there are of them. Suppose there are a few million holders of all kinds of utility securities of both operating and holding companies. Those few millions have their biggest stake in the operating companies which the holding companies have nearly ruined, and will finish ruining if we do not pass this bill and stop them. Furthermore, there are at least 100,000,000 of the rest of our population who own no securities, or for that matter anything else, but whose gas and electric rates are the only source from which to pay interest and dividends on the securities the holding companies sold. The 100,000,000 who own nothing have enough of a job to pay rates which will support watered capitalization of operating companies, without having to support the watered capitalization of holding companies as well. Furthermore, the 100,000,000 have a real cash investment in the operating utility business larger even than the amount paid for holding company securities at the very top prices.

The consumer is after all the forgotten investor. The consumers, although this seems at first surprising, actually represent in the strictest sense, a larger investment of money in the utility industry than do those people who in the orthodox sense, are investors in electric-utility securities. In 1933 the utilities had an investment of $12,900,000,000 in capital equipment. The consumers had an investment of $13,200,000,000 in utilization equipment, one-half of which is in household appliances. The consumer, of course, invests every single dollar in actual equipment. However, no one, not even the utilities lobby itself, would actually contend that its claimed investment is really in capital equipment furnishing current to the consumer, because there is no way of knowing how much of these billions was spent on plants and how much was only "wind and water."

So these forgotten investors, having a greater investment than the stockholders, have the right, irrespective of the fact that this is an industry serving the public, to demand that electricity be furnished at the lowest possible cost. They are entitled certainly as much as the power companies to a fair return on their investment. Their return is through adequate service at a reasonable cost, but they cannot have that if the holding companies are to be protected in their racket, because of the fear of some mythical injury to their investors if we stop the racket.

I suppose I shall read in the newspaper tomorrow that I said we cannot worry about the investor in securities, and that the holding company should go whether he loses or not. I have seen that precise thing happen in the testimony of a witness before the Interstate Commerce Committee of this body, but there will be no such loss to the investor.

Mr. President, you and others have doubtless been impressed by the number of people who own holding company securities who write letters of protest against enacting the bill before us, and who obviously have no conception of the purpose of the bill, or of the difference between a holding company and an operating utility. One reason why there are so many misinformed people is that the holding companies forced the sale of their securities by using employees of the subsidiary operating utilities as salesmen. In the case of one operating utility we found that 90 percent of the employees were licensed to sell holding-company securities. These salesmen represented various classes of workmen, from meter readers to the general manager. It may well have been true in many cases that both the buyer and the seller had very little knowledge of the sort of securities being disposed of. It is also probably true that the seller was in no position to jeopardize his job by refusing to sell these holding-company securities. There is no doubt in my mind that the practice referred to was and is in effect very generally throughout the country.

Now let us get down to brass tacks about the poor devils who hold securities in this holding-company racket. We hear talk, talk, talk from holding-company lobbyists about the awful things this bill will do to investors, but after what we know of the way the holding-company crowd treated their investors, after we know that they completely cleaned out more investors than are left to be worried about today, should we not do a little common-sense thinking for these investors and the bill? As I have stated—and I have lived with this problem, and think I know something about it—the holding-company business is a racket, and is just as perilous a risk for the investor as any other racket. The same racketeers who cleaned out the first wave of investors in the holding companies will clean out the second and the third and the fourth, including those who are now subscribing to investors' federations to make sure the holding-company managers are permitted to continue to clean them out.

It is known what the history of the investor in this holding company racket has been in the past; and, as those of us who have tried to know the subject of holding companies have attempted to demonstrate, there is no guaranty for the protection of investors in the future unless the holding companies are brought down to a size and a power where Government commissions can really regulate them.

The pending bill will make the holding companies give their investors, under the protection of a Government commission, better securities in better and simpler companies. It will then watch those companies to see that they carry on an enduring, sound business in which they give value for their money, and provide the operating companies with a real service, instead of merely running a service racket.

How does it hurt the investor to be given a security in a sound business for one that has been unsound and always will be unsound? I recall one of the days of the financial crash in 1929. Going into a building, I saw people standing around a woman who had fainted. It developed that she had saved up a couple of thousand dollars scrubbing floors over a long period of time. Some one had persuaded her to put her entire savings into Cities Service securities, and she was still buying more on the installment plan.

The utility lobbyists tell us that what they are trying to do is to save what is left of the savings of poor old scrubwomen like that, but we all know that they care no more now for the widows and orphans and other unfortunates who hold their securities than they cared for the different set of widows, orphans, and other unfortunates they ruined in 1929, and that the only safe thing for those who hold Cities Service stock today is to make Cities Service give them a substitute security in a decent operating company that has an excuse for existence and that can be regulated sufficiently so that they can be protected from the Cities Service racketeers.

That is the blunt truth about the investor situation. The investor has to choose between protection by his Government, which has not let him down, and protection by the racketeers running around the corridors and sitting up in these galleries, who have always let him down. If one votes for the bill he votes to give the investor the protection of the Government. If one votes against the bill, he votes to leave the investors to the holding companies as victims for another skinning.

Those of us who have had to deal with this holding-company evil know that it is very real, and not a phantom affliction. We know that the legislation proposed is neither punitive nor vindictive. It is a practical measure to meet practical realities. I have seldom been accused of being an extremist in words or in action, but if we fail to destroy this holding-company menace, I say it will ruin us in the end.

The pending bill takes the greatest care to preserve every element of legitimate value for the investor. I think it will give the ordinary investor much more protection than if his property were left to the uncontrolled whim of the holding-company managers, who have taken away the savings of the people and given them next to nothing in return. The holding-company managers are not fighting for the investor, they are not fighting for the consumer; they are fighting only for power over other people's money, other people's business, and other people's lives.

Mr. BONE. Mr. President——

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from New Hampshire yield to the Senator from Washington?

Mr. BROWN. I yield.

Mr. BONE. If the holding-company managers had thought of the investor in 1929, as they profess to think of him now, and had exercised their thought and their energy, they might have saved the investor at that time. But there was not a murmur from the heads of the big holding companies in 1929, not a single syllable of protest from their lips about the fate of those whom the Senator has mentioned, friends of men who sit on the floor of the Senate, but only reproach for those who saw fit to criticize the "Old Counsellor" in Chicago, speaking for Halsey, Stuart & Co., the man with the mellifluous voice and the flow of honeyed words that came over the radio and helped to separate the people of this country from their money.

Mr. BROWN. Mr. President, I came to Congress with the hope that I might do what I could to put an end to holding-company abuses, and I consider it my duty to cast my vote for the pending bill, which strikes a blow at those aggregations of special privilege which threaten the liberty of a free people.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until tomorrow, Thursday, June 6, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 5 (legislative day of May 13), 1935

COLLECTOR OF INTERNAL REVENUE

Nat Rogan, of San Diego, Calif., to be collector of internal revenue for the sixth district of California, to fill an existing vacancy.

PUBLIC HEALTH SERVICE

Dr. Theodore J. Bauer to be Assistant Surgeon in the United States Public Health Service, to take effect from date of oath.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 5 (legislative day of May 13), 1935

POSTMASTERS

NEW JERSEY

Stephen W. Margerum, Princeton.

PENNSYLVANIA

George Ramsey, Cheltenham.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 5, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we pray in the name of Him on whom we build our temple of hope and happiness. Thou dost have compassion according to the multitude of Thy mercies; Thou hast not dealt with us after our sins nor rewarded us according to our iniquities; Thou art our king and our judge. We beseech Thee to chasten and hallow us by the vision of Thy eternal holiness. Ashamed of our failures and inferiority, may we vividly see what we ought to be and pray that we may lead worthier lives. Identify us with the splendor and the unity of our historic institutions. Reveal unto men noble and enduring purposes that shall give them moral strength, and hasten the time when all peoples shall be righteous. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 2105) entitled "An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHEPPARD, Mr. FLETCHER, and Mr. CAREY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 462. An act to authorize an extension of exchange authority and addition to public lands to the Willamette National Forest in the State of Oregon.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 23, 1935:

H. R. 4005. An act to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission.

On May 24, 1935:

H. R. 157. An act to amend section 5296 of the Revised Statutes of the United States;

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 5707. An act to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding $100,000; and

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935.

On May 27, 1935:

H. R. 4239. An act authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich.;

H. R. 5444. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; and

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

On May 28, 1935:

H. R. 6021. An act to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes;

H. R. 6085. An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding $35,000;

H. R. 6654. An act to increase the White House Police force, and for other purposes;

H. R. 6723. An act to authorize the town of Valdez, Alaska, to construct a public-school building, and for such purpose to issue bonds in any sum not exceeding $30,000; and to authorize said town to accept grants of money to aid it in financing any public works; and

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes.

On May 29, 1935:

H. R. 2045. An act to set aside certain lands for the Chippewa Indians in the State of Minnesota;

H. R. 3975. An act to provide for the establishment of a Coast Guard station on the coast of Georgia at or near Sea Island Beach; and

H. R. 6954. An act to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park.

On May 31, 1935:

H. R. 972. An act for the relief of John Costigan;

H. R. 1846. An act for the relief of Daniel W. Seal;

H. R. 2192. An act for the relief of Harry B. Walmsley; and

H. R. 6114. An act to amend section 128 of the Judicial Code, as amended.

On June 3, 1935:

H. R. 3721. An act for the relief of Angelo J. Gillotti.

On June 4, 1935:

H. R. 2046. An act to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act;

H. R. 4528. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 5547. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 6834. An act to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.";

H. R. 6859. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River at or near Old Pireway Ferry Crossing, N. C.;

H. R. 6997. An act authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.; and

H. R. 7291. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. McSWAIN. Mr. Speaker, reserving the right to object, and I shall not, I do wish to say that I hope these requests will not multiply, because we have a lot of business to do and have been waiting a long time to be reached under the Calendar Wednesday rule.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, the recent department convention of the Spanish-American War veterans held at Berkeley, Calif., by resolution thanked the Republican Governor of the State of California for the joint-assembly resolution passed by the legislature petitioning Congress to restore to the Spanish War veterans' lists the 17,000 Spanish War veterans who were taken from the pension lists by the Economy Act.

The Pensions Committee of the House, of which I am a member, unanimously reported the bill H. R. 6995, but thus far our committee chairman has been unable to obtain a rule or receive recognition from the Speaker to call the bill up under suspension of the rules.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. If the gentleman would introduce a rule and let it go regularly to the Rules Committee, he could probably get a hearing on it.

Mr. HOEPPEL. Answering the gentleman from Texas, I am confident he is favorable to the passage of H. R. 6995, and I hope he will assist us in obtaining a rule for its consideration.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I would like to yield, but my time is limited.

Mr. O'CONNOR. Is the gentleman talking about the Spanish War veteran pension bill?

Mr. HOEPPEL. Yes; H. R. 6995.

Mr. O'CONNOR. There has just been called to my attention a letter signed by the Chairman of the Committee on Pensions, in which he states:

> I then went to Chairman O'CONNOR, of the Rules Committee, and asked him for a hearing before his committee on this bill. He has absolutely refused to grant me this hearing.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the gentleman from California be given 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, the Chairman of the Committee on Pensions is absolutely mistaken, for I have never refused him a hearing on this bill or any other bill. The Rules Committee has never operated that way; they never refuse hearings. So this letter which I hear has been sent to all Members of the House contains an absolute misstatement that I ever refused a hearing on this bill or refused a hearing on any other bill.

Mr. HOEPPEL. Mr. Speaker, answering the distinguished gentleman from New York, I would like to say that I am pleased to have this information. I believe he himself is in favor of the passage of this pension legislation, and I do hope he will give the chairman of our committee a rule so this question can be passed upon by the House before Congress adjourns.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. TRUAX. I also am glad to hear the gentleman from New York make the statement he has made. I am interested in the bill, as are a number of other Members; and I hope the Chairman of the Rules Committee will grant a hearing on this matter.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BOILEAU. I want to ask the distinguished Chairman of the Rules Committee when he is going to grant this hearing?

Mr. O'CONNOR. I did not say as to when the committee was going to hold a hearing; I said I had not refused a hearing.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman from California may proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. DUFFEY of Ohio. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. I would like to ask the Chairman of the Rules Committee if it would not be of assistance in those cases where rules are desired for the Member to introduce the rule and let it come regularly before his committee? Would not that be of assistance to him and his committee?

Mr. O'CONNOR. No; we usually draft the rules in the committee.

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein this resolution, to which I have referred.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. DUFFEY of Ohio. Mr. Speaker, I object.

COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. AYERS. Mr. Speaker, I ask unanimous consent to submit a supplemental report from the Committee on Irrigation and Reclamation concerning the bill S. 1305.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

PUERTO RICO ASKS FOR STATEHOOD

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in reference to certain bills I have introduced in the House.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to say that a delegation of the legislators of Puerto Rico, comprised of Senators Martinez Nadal, Bolivar Pagan, Alfonso Valdes, and Reyes Delgado, and Representatives Miguel A. Garcia Mendez, Rivera Zayas, Jorge Gauthier, and Leopoldo Figueroa has appeared before the House Committees on the Territories and Insular Affairs to request the consideration of pending bills for the liberalization of the Organic Act of Puerto Rico with a view to ultimate statehood for the island.

Correspondents of the bigger newspapers of New York have written stories which were sent from San Juan, the capital of Puerto Rico, in connection with this matter. Here I should like to insert the views of one of these writers whose story appeared in the New York Times:

Puerto Rico, which President Harding once called "our Caribbean State", would become a State in fact under a bill now before Congress. A delegation of Puerto Ricans, headed by Rafael Martinez Nadal, president of the island's senate, is now in Washington for a public hearing on the bill before the House Committee on Insular Affairs.

The desire for island statehood is expressed in a legislative resolution adopted a year ago, declaring that "the people of Puerto Rico desire to become a State." The bill to get the resolution before Congress was introduced at the present session of Congress by Resident Commissioner SANTIAGO IGLESIAS, Puerto Rico's spokesman at Washington.

The statehood resolution marked the first formal request to Congress for a final definition of the island's status, with a fixed objective, to be made by the legislature since Puerto Rico ceased to be a Spanish colony in 1898. The dream of ultimate statehood, however, goes back to the days of the Spanish regime.

REASONS FOR STAND

Basically, Puerto Ricans want their island to become a State in order to end uncertainties of both political and personal security. Independence and the establishment of a republic, even though guided by the United States, would provide no such security, many believe. Those who advocate the statehood step grant that it might increase rather than lighten the island's economic burdens, but they profess to be willing to pay this price for the one advantage of future safety both through association with and membership in the family of States.

Statehood, they say, would end for all time a sense of political inferiority, of which frequently the island people have complained. The movement for complete independence, which has always been present in the island, has at times gained temporary ground because of emphasis which its sponsors have placed on what they term Puerto Rico's second-class American citizenship under the Organic Act of 1917, which does not carry the right to vote for President. Further, advocates of statehood assert, no other form of government Congress might provide for the island would be quite so liberal as the autonomous regime Spain granted Puerto Rico just prior to the Spanish-American War—a form whose effective establishment was interrupted by the landing of American soldiers on island soil. Hostilities between the United States and Spain, though short-lived, ended at its very inception a regime of self-government for the island.

STATEMENTS BY DEMOCRATS

Another cause for seeking a definite hearing on the statehood bill has been the frequent statements from members of the present administration in substance asserting that Puerto Ricans should have the form of government they want—that independence would be granted if that is what the island wants. Statehood advocates would spike this seeming trend toward independence cause. Senators TYDINGS, KING, and REYNOLDS are credited with lending aid, unconsciously, perhaps, to the independence cause, while Dr. Ernest H. Gruening, head of the new Division of Territories and Insular Possessions, has stated that island independence was possible but has been less specific about possible statehood.

These statements have led statehood leaders to want to know from Congress just where the island stands. This verbal voicing of seeming sympathy for island independence from Democrats whose party platform declares for the island's ultimate statehood is a phase of new-deal expression Puerto Rico fails to comprehend.

Before Puerto Rico can gain statehood from Congress it must convince Washington that statehood is the desire of the majority, and that the island is prepared to assume the responsibilities such a changed status would bring. The present coalition majority, which elected 14 out of 19 Senators and 30 out of 37 Representatives in the legislature, contends that its election gave it a mandate to seek statehood. Island voters definitely turned from the independence party, in power from 1904 to 1932, to put the coalition in power, its leaders contend.

POINTS RAISED BY ICKES

Secretary of the Interior Ickes, who in the last year has been given supervision over Puerto Rico, recently outlined some of the points to be considered before both the United States and Puerto Rico should jointly decide on the statehood step. He raised the following points:

(1) That statehood for Puerto Rico would establish a new precedent by including in the Union as a sovereign State territory not actually contiguous with other States or Territories.

(2) Despite the precedent set in admitting Arizona and New Mexico, more than 20 years ago, where Spanish as a language persists, in admitting Puerto Rico to statehood, the United States for the first time would be including as a sovereign State a population of wholly different cultures, tradition, and language, and one whose culture and language are not likely to be altered by infiltration. The Secretary explained that he did not raise the point as an objection, but one which might result in discussion and opposition in Congress.

(3) Asserting there was some opposition to statehood in Puerto Rico, he said the admission of the island as a State against the wishes of a considerable majority would be both without precedent and undesirable.

(4) That the rights of the people already in the Union as well as those in the Territory seeking admission were involved.

(5) That statehood, once gained, according to American precedent, would be permanent.

STATEHOOD BILL NO. 1394 FOR PUERTO RICO

Puerto Rico is an organized Territory of the United States under the supreme authority of Congress. Article II of the treaty of Paris between the United States and Spain, of 1899, provided that the civil rights and political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by Congress.

The treaty contained no promise or declaration regarding the political status of the inhabitants of Puerto Rico affected by the cession, but left the matter entirely to be decided by Congress.

Congress, as contemplated in the treaty of peace, granted American citizenship to Puerto Rico in 1917 and, under the

Jones Act, created a political body and a civil government, composed of American citizens in Puerto Rico, owing allegiance to and entitled to the protection of the United States. The island has over 1,600,000 American citizens and, for nearly three generations, our men, women, and children and the children of our children have been born under the American flag, and have been taught the American ideals of government in the political forum of public opinion and in our schools and courts.

We have rejected all formulas of a colonial government. We consider this formula disgraceful and not compatible with the civil dignity of our Nation and, therefore, we proclaim the permanent union of the people of Puerto Rico with the people of the United States to maintain and consecrate socially, politically, and industrially a democratic community with the same rights and duties as any community of our Nation. We want and are anxious to be recognized as an integral part of the States of the Union, to lead our future along that line.

Puerto Rico literally stands at the crossroads of the world, at the entrance to the Caribbean region and on a direct line between east and west, north and south. San Juan, the capital and chief port, is but 1,000 miles from the Panama Canal, 1,300 miles from New York and Philadelphia, less than 1,000 miles away from Havana, and less than 4,000 miles from the great European markets.

The Democratic platform of 1932 advocated, along with independence for the Philippine Islands, ultimate statehood for Puerto Rico. The 1928 platform had recommended territorial status for the island, "with a view to ultimate statehood accorded to all Territories of the United States since the beginning of our Government."

New Mexico and Arizona were the last States to be organized; their acceptance as States occurred in 1912. A Territory is traditionally ready for statehood when it has as many inhabitants as a congressional district of the older States. In 1872 Congress ordered this rule followed in all future cases, but since one Congress cannot bind another, the rule was later disregarded in the admission of Nevada, Wyoming, and Idaho.

The population of Puerto Rico at the last census of 1930 was 1,543,913, enough to entitle it, as a State, to six Members of the House of Representatives and the customary two Senators. (At present the Island has a single resident commissioner in the House, with a voice but not vote.) Eighteen of the present 48 States have fewer people, as follows:

Arizona	435,573
Colorado	1,035,791
Delaware	238,380
Florida	1,468,211
Idaho	445,032
Maine	797,423
Montana	537,606
Nebraska	1,377,963
Nevada	91,058
New Hampshire	465,293
New Mexico	423,317
North Dakota	680,845
Oregon	853,786
Rhode Island	687,497
South Dakota	692,849
Utah	507,847
Vermont	359,611
Wyoming	225,565

Puerto Rico, with 3,435 square miles, is larger in area than two of the present States—Rhode Island, with 1,248 square miles, and Delaware, with 2,370 square miles. Nevertheless, I repeat, Puerto Rico is now represented in Congress by only one Resident Commissioner, who has voice but cannot vote even on matters affecting the people whom he represents.

I desire that you bear in mind that Puerto Rico, having not the right to vote in Congress, cannot exercise nearly so great an influence as do the Senators and Representatives of the several States of the Union. While in the old monarchic regime Puerto Rico was represented in the Spanish Parliament by 16 representatives and 3 senators, selected by the privileged classes. These representatives and senators had both voice and vote in the "Cortes" of Madrid.

The parties of our coalition have affirmed—

That the influence of the people of the United States in the destiny of Puerto Rico has been, is, and will be, civilizing, and the extension of the Constitution to Puerto Rico represents a positive guaranty of the public and political liberties convenient and favorable to the enjoyment of the individual rights.

POLITICAL PARTIES

The island's political parties in existence at this time are organized in four groups, as follows:

First. The Union Republican Party of Puerto Rico historically represents a true spirit of Americanization of the island and maintains the fundamental principle of permanent association with the United States within the high democratic ideals of our great Nation of equal rights to all loyal American citizens. This party strongly supports the ideal of the admission of Puerto Rico as a State of the Union, as recently stated in the platform of the National Democratic Party.

The Union Republican Party advocates the adoption by our legislature and by Congress as a well-studied program for the complete rehabilitation of the island, which in cooperation with the national administration will involve the development of all agricultural and industrial resources of Puerto Rico. The total number of votes obtained by this party in November 1932 was 110,793. The president of the Union Republican Party is the president of the Senate of Puerto Rico, Mr. Rafael Martinez Nadal.

Second. The Liberal Party represents in the island the old political traditions and the old privileged school of government. The fundamental principle adopted lately by the Liberal Party in its platform is purely political in character. Only a minority asking for independence and the organization of Puerto Rico as a free republic. They want also that the statehood be granted by Congress at once. The total number of votes obtained in November 1932 by this party was 170,162. The president of the Liberal Party is Senator Antonio R. Barceló.

Third. The Nationalistic Party is radically antagonistic to American institutions and advocates the immediate constitution of Puerto Rico as a free republic with no connection whatsoever with the United States of America. The party obtained only 5,254 votes at the last election. The president of this party is Mr. Pedro Albizzu Campos.

Fourth. The Socialist Party of Puerto Rico is a creation of the labor organization represented by the American Federation of Labor and has been struggling for many years for the betterment of the conditions among the working men and women and for the thorough preparation of the masses to exercise their civil rights as granted by the Constitution of the United States and Puerto Rico. Since its organization over 30 years ago as a political party it has also maintained and supported the fundamental principle and aim of our permanent association with the people of the United States of America.

The Socialist Party was never greatly concerned with the immediate need for raising the statehood-independence political issues. It was and is more interested in the island's economic problems. It has been opposed to the continued revival of that issue considering it as a purely political scheme devised chiefly as a means of fomenting discord, fostering anti-American propaganda to enable the secessionists to capture, if they can, the island's government.

The Socialist Party is striving for such form of government as will guarantee equality, liberty, and justice for all citizens, but its fundamental goal is permanent association with the people of the United States.

The total number of votes obtained by this party in November 1932 was 97,433. The acting president of the Socialist Party is vice president of the house of representatives, Mr. Rafael Alonzo.

THE COALITION

Both parties, the Union Republican and the Socialist Parties, having some common ideals, decided to form a coalition, whose main object is the establishment and organization in the island of a government capable of safeguarding the fundamental principles and ideals of a true American democratic and republican form of government in the island

and who may be prepared to undertake the solution of the vital economic problems to bring about the complete rehabilitation of the island.

The coalition of these parties achieved complete victory at the November 8 election of 1932, gaining full control of the Puerto Rico Legislature, which is constituted as follows:

House of Representatives:	
Coalitionists	32
Liberals	7
Total	39
Senate:	
Coalitionists	14
Liberals	5
Total	19

The total votes cast by the four political groups for the Resident Commissioner from Puerto Rico in Washington were as follows:

	Votes
Coalition:	
Union Republican	110,793
Socialist Party	97,433
Total	208,226
Liberal Party	170,162
Nationalist Party	5,254

The majority of the coalition for the Resident Commissioner was 38,064 against the Liberal Party.

Puerto Rico, gentlemen, stands today as the first best buyer of American goods in all Latin America. With the exception of Canada, Puerto Rico is America's best overseas market in the new world, and is the eighth best buyer of all European nations and the rest of the world. The fact that Puerto Rico has bought, and is continuing to buy, millions upon millions of dollars' worth of goods from the continental United States is eminently interesting.

In 1931 the United States exported to all the world cotton manufactures to the value of $3,306,432, while in that same year Puerto Rico alone took $10,231,984 worth of cotton manufactures.

Plain statistical facts demonstrated that in 1931 Puerto Rico received from continental United States more than three times as much cotton manufactures as the entire rest of the world put together. In 1931 the United States sold to all foreign countries of the globe $4,719,305 worth of wood and wood manufactures. In that same year, it shipped to Puerto Rico $1,976,336 worth of the same commodity—in other words, little Puerto Rico.

In 1933 the United States sold to the entire foreign world $1,534,345 worth of paper and paper manufactures. At the same time, continental United States shipped little Puerto Rico, $1,242,533 worth of the same commodities. Gentlemen and friends, I request you to look on this great little Puerto Rico as an integral part of our Nation, that you may know more about it, and cultivate more and more the best feelings, extending to the people of the island the benefits of every measure intended to relieve the people, as a State of the Union.

Puerto Rico is American socially, politically, and its trade, its practices, and its industry pile and flourish under the American flag. Puerto Rico is paying indirectly its part to the Nation.

The plain facts of the case are that Puerto Rico has been American territory since 1898. Since 1917 all Puerto Ricans have been American citizens. The island is considered a part of this Nation by reason of the citizenship its people enjoy, the same brand of citizenship as that enjoyed by any New Yorker, Californian, or Utahan, but without the right of proper representation in Congress and in the Union.

PAST AND PRESENT

I want to deal again with the Americanization of Puerto Rico from a general political and administrative point of view. During the autonomous regime granted to Puerto Rico by Spain in 1897, the island had as income for itself the royal tariffs, taxes on personal "cedulas", disembarkment of voyagers, ecclesiastic bills, payments of periodicals, cedulas on privileges, and taxes on raffles and lotteries. The different classes of general taxes and others which were paid to the insular public treasury reached 29 divisions and numerous subdivisions.

The total budget of the Spanish insular autonomous regime reached the sum of $536,442.19. This total budget of the insular treasury was expended in a great part for soldiers and marines, clergy, construction of and repair of churches, and pensions, up to the sum of $2,174,879.13. The other expenditures of the Government, such as public education, public works, sanitation, and justice were assigned $1,361,963.06.

In those days we spent on public education, from the funds of the State, $30,000, and the municipalities spent in education through the Paulist Fathers, Jesuits, and Sisters of the Sacred Heart, $99,255. There were only 22,265 children in the schools throughout the island. The benefit of superior studies was granted to only 55 students every year.

Under our present American regime there are more than 239,000 children in the schools, and they are not restricted from reaching superior grades. Actually more than $4,900,000 from an insular budget of over $11,000,000 are assigned for schools and teachers.

Under the first year of our American regime the construction of the first buildings for public schools was ordered. We have already organized an army of 4,991 teachers who teach English and Spanish, and we use at present more than 2,000 buildings constructed for graded and high schools, which are the property of the insular government.

When the old regime was changed for the American regime there were 152.17 miles of constructed roads. Since June 30, 1900, to June 30, 1931, 1,859 kilometers of insular roads have been constructed and also numerous bridges and buildings at a great cost.

Sanitation was organized for the first time in the island during the present regime, and the installation of a modern system of public health service was inaugurated.

The insular government is composed at present of the following employees in the public service, including the Governor, the legislature, and the departments, who receive the following compensation: 6.011 Puerto Rican-American employees, $6,579,748; and 233 employees continental Americans, $409,585.75. Of these total employees, over 4,000 are school teachers and over 800 police.

The judiciary system of Puerto Rico has only four continental Americans serving as judges and the attorney general. The police has only three continental Americans and the executive government has at present three, including the Governor. The other continental Americans are mostly teachers, professors, and scientific men.

PUERTO RICO AN ORGANIZED TERRITORY

The following decision with regard to the political status of Puerto Rico was rendered by one of the Assistant Attorney Generals of the United States, in which the opinion is expressed that Puerto Rico is an organized Territory of the United States:

DEPARTMENT OF JUSTICE,
Washington, D. C., February 15, 1934.

MEMORANDUM FOR MR. STANLEY, THE ASSISTANT TO THE ATTORNEY GENERAL

I have had under consideration your request for recommendation on H. R. 7873 (73d Cong., 2d sess.) and reasons in support thereof, particularly concerning the request contained in the letter of SANTIAGO IGLESIAS, Resident Commissioner of Puerto Rico. I take it that the request of the Commissioner goes no further than to consider whether Puerto Rico is such a Territory as is intended to be governed by this act. I will therefore confine my consideration of the matter to that question.

It is to be first noted that the language of the act is broad, general, and comprehensive and without prohibitions or limitations as to any political subdivision of the United States. Section 1 reads:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Congress hereby declares that the cooperation of the Federal Government with the several States, *Territories,* and the District of Columbia is necessary to prevent the premature closing of elementary and common schools * * *." (Italics ours.)

Section 2 of the act uses the same term: * * * as will enable the several States, Territories, and the District of Columbia, to maintain their regular school terms * * *

The bill does not exclude any form of political government which might be said to be within the broad and general definition of "State or Territory." If therefore Puerto Rico may be said to be within the meaning of the term "Territories" the act applies to Puerto Rico. It is true that Puerto Rico is not a fully organized territory such as Alaska and Hawaii and has not been incorporated into the Union as a Territory. *Balzac* v. *People of Puerto Rico* (258 U. S. 298, 305). On the other hand it has been held by the United States Supreme Court to be a completely organized territory.

In a case in which there was involved the question of the right of the Governor of any organized territory to issue requisitions for the return of fugitive criminals the Supreme Court held, *People of New York ex rel. Kopel* v. *Bingham, Commissioner* (211 U. S. 468):

"Under section 17 of the act of April 12, 1900, c. 191, 31 Stat. 77, 81, the Governor of Puerto Rico has the same power that the Governor of any organized territory has to issue requisitions for the return of fugitive criminals under section 5278, Revised Statutes.

"While subdivision 2, section 2, article IV, Constitution of the United States, refers in terms only to the States, Congress, by the act of February 12, 1793, c. 7, 1 Stat. 302, now section 5278, Revised Statutes, has provided for the demand and surrender of fugitive criminals by Governors of territories as well as of States, and the power to do so is as complete with territories as with States (*Ex parte Reggel* 114 U. S. 642).

* * * * * * *

"Puerto Rico, although not a territory incorporated into the United States, is a completely organized territory."

In the opinion Mr. Chief Justice Fuller said (p. 476):

"It may be justly asserted that Puerto Rico is a completely organized Territory, although not a Territory incorporated into the United States, and that there is no reason why Puerto Rico should not be held to be such a Territory as is comprised in S. 5278."

Section 5278, Revised Statutes, referred to States in part:

"Whenever the executive authority of any State or Territory demands any person as a fugitive from justice, of the executive authority of any State or Territory to which such person has fled * * *."

We find, therefore, the general term "Territory" used in a statute similar to the one under consideration, has been held to be a Territory within the meaning of the act.

Again in the case of *Gromer* v. *Standard Dredging Co.* (224 U. S. 362) the Supreme Court said with reference to Puerto Rico and the application of the Foraker Act of April 12, 1900 (p. 370):

"The purpose of the act is to give local self-government, conferring an autonomy similar to that of the States and Territories, reserving to the United States rights to the harbor areas and navigable waters for the purpose of exercising the usual national control and jurisdiction over commerce and navigation."

See also *People of Puerto Rico* v. *Rosaly y Castillo* (227 U. S. 270).

There must also be taken into consideration the Organic Act of Puerto Rico of April 12, 1900 (31 Stat. 77), known as the "Foraker Act", and the Organic Act of March 2, 1917 (39 Stat. 954), known as the "Jones Act", in which later act this provision appears:

"* * * the statutory laws of the United States not locally inapplicable, except as hereinbefore or hereinafter otherwise provided, shall have the same force and effect in Puerto Rico as in the United States, except the internal-revenue law * * *."

There does not seem to be anything in the act under consideration locally inapplicable and I see no reason why the act may not be as capable of operation in the Territory of Puerto Rico as in any State or Territory.

The same question, under a more doubtful status, was before Attorney General Mitchell with reference to the Agricultural Marketing Act (46 Stat. 11), his opinion with reference thereto appearing in 36 Ops. 326. There the question was specifically as to whether the Agricultural Marketing Act extended to Puerto Rico. The question was more difficult of determination in view of some expressions in the Agricultural Marketing Act which might not unreasonably be construed as limiting the operations of the act to continental United States. However, Attorney General Mitchell had under consideration the statute just referred to as to the applicability of the general laws of the United States where not locally inapplicable, and his opinion therefore appears as a precedent in the Attorney General's Office that under similar expressions Puerto Rico is held to be included within the general term "territory."

The specific question asked by the Commissioner is:

The object of this letter is to ascertain whether under the term "territories", Puerto Rico is included and will benefit by this bill or any other bill where the word "territories" is used.

I therefore answer this question in the affirmative.

Respectfully,

HARRY W. BLAIR,
Assistant Attorney General.

Mr. DUNN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a memorial address delivered by James Van Zandt, commander in chief of the Veterans of Foreign Wars of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RICH. Mr. Speaker, reserving the right to object, it has been customary during this session of Congress to prohibit the printing of newspaper articles and addresses made by those other than Members of Congress or members of the Cabinet in the CONGRESSIONAL RECORD. Because of the fact the Committee on Printing does not want these miscellaneous addresses put into the RECORD, I object.

Mr. WHITE. Mr. Speaker, reserving the right to object, I have heard a good deal from the gentlemen on the other side with reference to printing extraneous matter in the RECORD. We are compiling a great RECORD here in a great crisis, and I think the RECORD we are making now will be one of value for all time.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

NATIONAL DEFENSE ACT, JUNE 3, 1916

Mr. McSWAIN (when the Committee on Military Affairs was called). Mr. Speaker, I call up the bill (H. R. 5720) to amend the National Defense Act of June 3, 1916, as amended, and ask unanimous consent that this bill may be considered in the House as in Committee of the Whole. I may say this is simply a matter of several amendments regarding the National Guard features of the National Defense Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 38 of the National Defense Act of June 3, 1916, as amended, be, and the same is hereby, amended by inserting the following paragraph after the third paragraph thereof:

"To the extent provided for from time to time by appropriations for this specific purpose, the President may order officials of the National Guard of the United States to active duty at any time and for any period: *Provided*, That, except in time of a national emergency expressly declared by Congress, no officer of the National Guard of the United States shall be employed on active duty for more than 15 days in any calendar year without his own consent. When on such active duty, an officer of the National Guard of the United States shall receive the same pay and allowances as an officer of the Regular Army of the same grade and length of active service, and mileage from his home to his first station and from his last station to his home, but shall not be entitled to retirement or retired pay."

With the following committee amendments:

On page 1, line 10, after the word "duty", insert "in an emergency"; and at the end of line 10 strike out "any period" and insert in lieu thereof "the period thereof."

The committee amendments were agreed to.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the word "officials", on page 1, line 9, may be changed to the word "officer."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. WADSWORTH. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I desire to ask a question of the Chairman of the Military Affairs Committee in order to get some information. It was quite impossible sitting over here to hear what was going on with respect to the amendment which I imagine has just been adopted in line 10 of the first page. Is a change in the existing law contemplated there?

Mr. McSWAIN. Yes; a slight change in the existing law. It will be remembered there was enacted by an act approved June 15, 1933, a general law relating to the National Guard. Some phraseology therein has been found to be inconvenient in the operation of this matter, and this is to correct those features of the act of June 15, 1933.

Mr. WADSWORTH. Under the existing law the President may order out officials of the National Guard?

Mr. McSWAIN. "Officers." I have just had that changed. There was a typographical error made in printing the bill.

Mr. WADSWORTH. He may order an officer of the National Guard to active duty at any time under existing law?

Mr. McSWAIN. Only in the event of war or in the event of an emergency declared by Congress under existing law. In time of peace he may order an officer of the National Guard to duty only with the officer's consent.

Mr. WADSWORTH. What is the purpose of inserting the words "in an emergency", at this place in the bill?

Mr. McSWAIN. We wanted to include the word "emergency" in addition to the word "war."

Mr. WADSWORTH. This is an expansion of the power rather than a retraction?

Mr. McSWAIN. Exactly.

Mr. WADSWORTH. I was afraid it was a move in the other direction.

Mr. McSWAIN. No. This enlarges the power of the President.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Wisconsin.

Mr. SAUTHOFF. Is not the Governor of a State the commander in chief of the National Guard of his State?

Mr. McSWAIN. Certainly, and until the National Guard is called into Federal service.

Mr. SAUTHOFF. Then is the Governor of each State included as an officer?

Mr. McSWAIN. No. He is the commander in chief of the National Guard under the State constitution, but he is not a member of the National Guard in any State of the United States.

Mr. McFARLANE. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Texas.

Mr. McFARLANE. What is the reason and necessity for this enlarged power and who requests this?

Mr. McSWAIN. The National Guard Association of the United States.

Mr. McFARLANE. What showing have they made that this is needed?

Mr. McSWAIN. A very extensive, and, I believe, a very satisfactory showing. It has convinced the entire membership of the committee to the effect that this expansion of power is entirely justifiable in order to authorize the President to order out the National Guard in an emergency.

Mr. McFARLANE. In other words, what showing did they make that convinced the gentleman that this is needed?

Mr. McSWAIN. There were a number of witnesses who appeared before our committee. The president of the National Guard Association of the United States, General Keehn, and General Reckford, the legislative representative, and others appeared before our committee and showed the advantages of permitting this power.

Mr. McFARLANE. That is exactly what I am trying to get at.

Mr. McSWAIN. To be perfectly frank, conditions may arise other than war when it would be desirable to use the National Guard, rather than an emergency army called into existence by the President under the general provisions of the National Defense Act.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from New York.

Mr. FITZPATRICK. In 1933 they also had that provision in the bill, but it was knocked out at that time for the simple reason they then thought that in case there should be a strike, they could call that an emergency and take the National Guard of one State into another. Could they not do that if this bill should pass just as it is?

Mr. McSWAIN. That would be up to the President of the United States, of course. The President of the United States would be the judge of what is an adequate emergency.

Mr. ZIONCHECK. But this bill does give him that authority.

Mr. McSWAIN. Yes.

Mr. ZIONCHECK. And the emergencies the gentleman refers to are possible strikes.

Mr. McSWAIN. Anything might be an emergency. It might be an earthquake in San Francisco or it might be a flood in the Colorado River or any other sort of emergency.

Mr. MAY. They have the troops now in the flood area of the Colorado.

Mr. McSWAIN. I do not know about that.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. MOTT. In the event of such an emergency as the gentleman has named, the Governor of the State where the emergency occurred would have the authority, under existing law, to call out the National Guard?

Mr. McSWAIN. He would have that authority; yes.

Mr. MOTT. Then, what would be the object of giving the same authority to the President?

Mr. McSWAIN. It is conceivable that there could be an occasion where the National Guard of one State would not be sufficiently strong in numbers, and it might be desirable to bring in some of the National Guard from a neighboring State to assist in controlling the emergency. The Governor of the State could not order his National Guard troops out of that State. It would be up to the President to call such troops into the active service of the United States for the time being, and then they would be in the pay of the United States.

Mr. MOTT. Would the gentleman mention such a specific case as he may have in mind?

Mr. McSWAIN. I shall do that in connection with one of the other amendments.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 2. That section 58 of said act be, and the same is hereby, amended by adding thereto another paragraph to read as follows: " : *And provided further*, That in all grades below that of colonel the number in each grade will be limited only by the supply of qualified officers and enlisted men available within the National Guard."

With the following committee amendment:

On page 2, beginning in line 13, after the word "follows", insert a colon and strike out the remainder of line 13 and all of lines 14, 15, and 16, and insert "*And provided further*, That in the grades of first lieutenant and second lieutenant the number shall be unlimited."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. That section 70 of said act be, and the same is hereby, amended by adding the following paragraph at the end thereof:

"That the oath of enlistment prescribed in this section may be taken before any officer of the National Guard authorized to administer oaths of enlistment in the National Guard of the several States, Territories, and the District of Columbia, by respective laws thereof. All oaths of enlistment heretofore administered by the officers described above are hereby validated."

SEC. 4. That section 77 of said act be, and the same is hereby, amended by striking out all of said section and inserting in lieu thereof the following:

"Elimination and disposition of officers of the National Guard of the United States: The appointments of officers and warrant officers of the National Guard may be terminated or vacated in such manner as the several States, Territories, and the District of Columbia shall provide by law. Whenever the appointment of an officer or warrant officer of the National Guard of a State, Territory, or the District of Columbia has been vacated or terminated or upon reaching the age of 64, the Federal recognition of such officer shall be withdrawn and he shall be discharged from the National Guard of the United States: *Provided*, That under such regulations as the Secretary of War may prescribe, upon termination of service in the active National Guard, an officer of the National Guard of the United States may, if he makes application therefor, transfer to the inactive National Guard and remain in the National Guard of the United States in the same or lower grade. When Federal recognition is withdrawn from any officer or warrant officer of the National Guard of any State, Territory, or the District of Columbia, as provided in section 76 of this act or upon reaching the age of 64 years, he shall thereupon cease to be a member thereof and shall be given a discharge certificate therefrom by the official authorized to appoint such officer."

SEC. 5. That section 81 of said act be, and the same is hereby, amended by striking out, after the words "and shall" in the third sentence of said section, the word "not."

SEC. 6. That section 90 of said act be, and the same is hereby, amended, following the word "*Provided*", so as to read: "That the caretakers hereby authorized to be employed shall not exceed five for any one organization, except heavier-than-air squadrons, for each of which a maximum of 13 is authorized, who shall be paid by the United States disbursing officer for each State, Territory, and the District of Columbia.

"The compensation paid to caretakers who belong to the National Guard, as herein authorized, shall be in addition to any compensation authorized for members of the National Guard under any of the provisions of the National Defense Act.

"Under such regulations as the Secretary of War shall prescribe, the material, animals, armament, and equipment, or any part thereof, of the National Guard of any State, Territory, or the District of Columbia, or organizations thereof, may be put into a common pool for care, maintenance, and storage; and the employment of caretakers therefor, not to exceed 15 for any one pool, is hereby authorized.

"Caretakers heretofore detailed or employed in pools shall be deemed to have been regularly detailed or employed as such under the law and regulations; and all payments heretofore or hereafter made therefor are hereby validated and authorized.

"Commissioned officers of the National Guard shall not be employed as caretakers, except that one such officer not above the grade of captain for each heavier-than-air squadron may be employed. Either enlisted men or civilians may be employed as caretakers, but if there are as many as two caretakers in any organization, one of them shall be an enlisted man.

"The Secretary of War shall, by regulations, fix the salaries of all caretakers hereby authorized to be employed and shall also designate by whom they shall be employed."

Mr. BOILEAU. Mr. Speaker, I move to strike out the last word.

I would like to ask the chairman of the committee what emergency he believes is imminent that requires this legislation authorizing the President to bring into the service of the Federal Government officers of the National Guard?

Mr. McSWAIN. There is none that the committee contemplates as now in existence. It is only a possible, thinkable situation where the President may, in his discretion, decide that an emergency exists for calling into the active service of the United States these officers; and in this connection I wish to explain to the gentleman from Oregon [Mr. MOTT] that this applies only to the officers of the National Guard and not to the rank and file. These officers can be called into service for only 15 days without their consent, and only in the event of an emergency.

Mr. BOILEAU. Is there anything in existing law that permits the President or the Federal Government to call the rank and file or the enlisted men or the ordinary privates of the National Guard into the Federal service?

Mr. McSWAIN. Absolutely nothing as to the rank and file, and up to this time there was nothing to authorize the calling of the officers into such service in an emergency. This is an enlargement of his power in that respect.

Mr. BOILEAU. Do I understand, then, that if this bill were to be enacted into law there would be no authority, either under existing law or under the provisions of this bill, that would permit the President of the United States to call in an entire National Guard unit and bring them from one State into another or have any control whatsoever over the National Guard of the various States?

Mr. McSWAIN. Not until Congress had acted.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. MOTT. If this bill does not authorize the mobilization by the President of the National Guard, I am at a loss to understand what the purpose of the bill would be in simply mobilizing certain officers of the National Guard. What would the President do through a mobilization of these officers of the National Guard under this bill in case of an emergency such as the bill contemplates?

Mr. McSWAIN. I cannot describe the conditions and the particular emergency that the future may disclose. It is believed that the Reserve officers, trained and experienced and educated men, in an emergency could be of very great value in restoring order, taking care of distress, and being helpful generally in any emergency condition that may be created.

Mr. MOTT. The gentleman means just the officers and not the personnel of the National Guard?

Mr. McSWAIN. That is all the bill proposes to cover.

Mr. MOTT. I am not quite able to see that, but I want to ask the gentleman how he reconciles the report of his committee with the report of the Secretary of War, printed on the second page of the report, in which the Secretary of War says there is no necessity for this bill, and recommends against its passage.

Mr. McSWAIN. The War Department says that the act to which I referred a moment ago, in answer to the inquiry of the gentleman from New York, the act of June 16, 1933, has not been in operation long enough for it to ascertain whether or not these additional provisions are necessary, and therefore it states that for the time being it recommends against this legislation.

After hearing the officers of the National Guard from all over the United States, and a number of adjutants general of States, the committee unanimously reported that now is the proper time to make these amendments. In our judgment we differed from the War Department in that respect.

Mr. MOTT. It seems to me that if all this testimony was given to the committee by the National Guard officers, the Chairman of the Military Affairs Committee ought to be able to tell us exactly what kind of an emergency it is that the bill contemplates and the reason for mobilizing the officers of the National Guard. I would like to support the bill if I had a good reason.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent for 5 minutes more.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BOILEAU. I cannot see any real necessity for the bill, unless it is that the President of the United States could, if he saw fit, call these National Guard officers to act as strikebreakers, and in that way get the highest type of men to act for that purpose, to act in the same capacity as deputy sheriffs in the event of a strike. I do not propose to vote to give the President of the United States authority to take the National Guard officers of Wisconsin and bring them to Pennsylvania to act as strikebreakers. I cannot see any other purpose of the bill.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. HILL of Alabama. I think I can say to the gentleman that that is not the intent, that the reason for the legislation is as follows: There are some officers in the National Guard, field and staff officers, who have served with troops in different States. Different States have their troops brigaded together, and they have staff officers who must serve with these different troops. The infantry troops of Alabama are brigaded with the infantry troops of Florida. We have staff officers in Alabama who might be needed for some particular purpose in Florida.

Mr. BOILEAU. Then why not have the bill drawn in such a way that the men can be drafted into service for that purpose?

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. ZIONCHECK. Can the gentleman see any reason for this bill unless these officers are to be commandeered, for instance, from the C. C. C. camps, for the purpose of breaking strikes?

Mr. HILL of Alabama. That is in no sense the intent.

Mr. BOILEAU. I can name in my own State hundreds of National Guard officers who would be tickled to death to get on the Federal pay roll because they have no job now. The President might detail hundreds to act as deputy sheriffs, and I do not propose to have the people of my State called to some other State to act in the capacity of deputy sheriffs.

Mr. McSWAIN. Let me assure the gentleman that so far as I recollect the word "strike" was not used in our committee in the hearings before the committee on this bill.

Mr. BOILEAU. I appreciate that fact.

Mr. McSWAIN. And representatives of the gentleman's State, and of practically every State in the Union, citizens, National Guard officers through their organizations and through their adjutants general of the States, have been urging this legislation for the last 2 or 3 years. It seems to us to be entirely harmless.

The SPEAKER. The time of the gentleman from Wisconsin has again expired.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOILEAU. Mr. Speaker, I appreciate that this fact may not have been brought to the attention of the committee, but the committee is not giving the House much information as to the emergency and necessity for this type of legislation, and that forces those of us who are somewhat suspicious, perhaps, to wonder if there is not something back of it—not in the gentleman's mind but in the minds of those advocating this legislation. I can see very grave danger in the way which I have pointed out, and I think the legislation should at least be amended so as not to permit these officers to be mobilized, to act as strike breakers, or to be mobilized for any other purpose than merely for training, as the gentleman from Alabama [Mr. HILL] has suggested. An amendment of that kind may easily be drawn permitting the President to transfer them from one National Guard unit to another, merely for the purpose of giving them military education or something of that kind, for training in the Military Establishment, but so long as the bill is broad enough to permit the use of these men as strike breakers, we ought to either kill it or amend it.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. ZIONCHECK. If it was the purpose to permit these officers to train among themselves, they would not have used the terminology they have here—

To active duty in an emergency.

An emergency means a strike or labor trouble.

Mr. BOILEAU. I thank the gentleman for his suggestion, because, obviously, under the wording of the bill, in the generally accepted meaning of the word "emergency", they could not do the thing the gentleman from Alabama suggested.

Mr. McSWAIN. I assure the gentleman that there is no such ulterior motive, so far as I am concerned, or so far as the committee is concerned, or any sinister motive in the minds of us as to the use of this power. Will not the gentleman consider an amendment to the bill? We are willing to revert to the section for the consideration of any amendment in order to make the bill agreeable to the thinking Members of the House.

Mr. BOILEAU. Can the gentleman give us any real necessity or urgency for this legislation?

Mr. McSWAIN. No more than when we say "in the event of war" the National Guard may be ordered out by the President of the United States.

Mr. BOILEAU. He can do that under the existing law.

Mr. McSWAIN. Suppose that was the question before the House, as it was at one time about 2 years ago, and suppose we should be asked to say upon what occasions war would be declared, and for what reason? We cannot tell what war will be declared for. We hope that it will never be declared, and we hope there will never be an emergency that would prompt the President of the United States, who represents all the people, to exercise this power, but we think from the showing made by these officers that it would be a desirable power. If the gentleman can offer some suggestion here that will meet with the approval of others we are perfectly willing. This committee wants to lay its cards right down on the table upon everything.

Mr. BOILEAU. I thank the gentleman for his attitude. This matter is all new to me, and I have no amendment prepared.

Mr. ZIONCHECK. The proper amendment would be to strike out section 1. Will the gentleman consent to that?

Mr. McSWAIN. Why not strike out "in an emergency" and not the whole section?

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. MARCANTONIO. We believe that there is no ulterior motive in the mind of any member of the committee, but at the same time they give us no reason for this type of legislation. When you say that it is the same as an emergency which exists during a war, there you specify the emergency, namely, that the emergency is war. Here you have no specification or definition of the word "emergency", and I repeat that while there is no ulterior motive in the mind of any member of the committee, I am frank to state that the only emergency that I can think of is a labor trouble or a strike, and I believe that whoever sponsors this bill—and I say "whoever" advisedly because I notice the chairman of the committee says that he introduced the bill by request—must have had the only possible emergency in mind, to wit, labor disputes. I am opposed to the use of any branch of the military during a labor struggle.

Mr. FADDIS. Is the gentleman from New York afraid it will be a bunch of Communists?

Mr. MARCANTONIO. Whether the strikers are Communists or not I am not interested. I am not interested in the politics of the strikers. I am interested in the protection of American workers when they strike for a living wage and insist that they should not be forced back to inhuman conditions at the point of the bayonet.

Mr. FADDIS. The gentleman is always up defending Communists.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. MOTT. I suggest to the chairman of the committee that the discussion here has shown that the bill is not very understandable to most of the Members. The reason for its consideration at this time is quite vague. Does not the gentleman think it would be a good idea to recommit the bill to the committee and have the committee send an amended bill to the House?

The SPEAKER. The time of the gentleman from Wisconsin [Mr. BOILEAU] has again expired.

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent to return to section 1 for the purpose of offering an amendment to strike out section 1.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. COOPER of Tennessee. Will the gentleman yield to me in order that I may propound a unanimous-consent request?

Mr. BOILEAU. I yield to the gentleman.

ANTISMUGGLING ACT

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that a privileged status may be given to the bill (H. R. 7980) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes, which has been unanimously reported by the Ways and Means Committee; and that general debate, to be confined to the bill, may proceed for not to exceed 1 hour, the time to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

NATIONAL DEFENSE ACT, JUNE 3, 1916

Mr. BOILEAU. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Beginning on page 1, line 3, and ending in line 10 on page 2, strike out all of section 1.

Mr. BOILEAU. Mr. Speaker, I have no desire to debate the amendment further. My views have been expressed.

Mr. ZIONCHECK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I am not thoroughly familiar with this bill. I have not had time to study it with care, but I do know that the War Department, on page 2 of the report, states that—

> No emergency exists or can be foreseen that justifies at this time amendments of the law respecting the National Guard of the United States. It is the view of the War Department that the time during which the law has been in effect is too short to have given its provisions a thorough test. Time and experience alone will determine what provisions need to be changed. For the foregoing reasons the War Department is of the opinion that the amendments proposed in H. R. 5720 are not warranted at this time.

As the gentleman from Wisconsin [Mr. BOILEAU] has stated, the only purpose of this bill is to allow the President of the United States to send the officers of the National Guard from one State into another State in an emergency and that the emergency in the minds of many of us means labor troubles contemplated in the future.

We had a recent experience in the State of Washington during the longshoremen's strike. Many interests in our State appealed to the Governor to call out the National Guard to suppress the strike in Seattle and in Tacoma and in other ports within the State. This he refused to do.

The most serious labor trouble during the strike on the whole Pacific coast was experienced in California. There the Governor of that State called out the National Guard to suppress the strike. As a direct result of this unwarranted interference San Francisco witnessed strife and trouble such as they had never witnessed before, because the unions as a direct reprisal called a general strike. The same result would have come about in the State of Washington had the National Guard been called to interfere. Had this bill been a law during the time of our longshoremen's strike in the State of Washington the President of the United States, were he so disposed, could have ordered the officers of the National Guard of the State of Oregon, or any other State or States, to come into the State of Washington and suppress the strike. I, for one, am opposed to such a grant of power, despite the fact that I am sure our present Chief Executive would never use such a power even though it were granted to him. It is by the passage of bills such as this that we are wittingly or unwittingly laying the foundation for fascism. I, for one, am a firm believer in our democratic form of government and feel that any abuse of democracy can only be cured by more democracy rather than by less of it.

On repeated occasions the Chairman of the Military Affairs Committee, the gentleman from South Carolina [Mr. MCSWAIN] has been asked just what emergency the committee had in mind when they were considering this bill. At no time has he made it clear what that emergency might be. If the chairman of the committee cannot explain this emergency, then he fails to explain the need of this legislation or any justification for its enactment. Therefore, I am in favor of the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU] to strike out section 1 in which this unwarranted grant of authority is embodied.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. ZIONCHECK. I yield.

Mr. DUNN of Pennsylvania. Since that humanitarian act, the N. I. R. A., has been destroyed, it may be necessary to call out troops to keep down labor troubles; nevertheless I am going to vote for the amendment.

Mr. ZIONCHECK. I may say to the gentleman from Pennsylvania that the Supreme Court's action in ruling the N. I. R. A. as unconstitutional will undoubtedly bring about trouble and strife in the industrial field, but such strife and such trouble cannot be intelligently handled by the use of bombs, machine guns, and bayonets.

If our present Constitution does not allow us to pass laws benefiting the laboring man and the farmer, so that they can get a greater share of what they produce, then it is high time that we amend our Constitution so that human rights will at least be given equal consideration in that great instrument with property rights, which very evidently have been most carefully safeguarded.

Mr. McSWAIN. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, it has been stated that the War Department does not favor this bill at this time. There is no assumption therefore that there is any militaristic motive back of this bill. It is sponsored by the adjutant generals of the States and by the National Guard Association, who represent the civilian soldiers in our national-defense system. I cannot see that there is any danger in this. I was perfectly willing to let it be debated and granted unanimous consent to revert to section 1 in order that an amendment might be offered, so that the membership of the House might say whether or not they could trust our National Guard Associations and the adjutant generals of our States. As far as I am concerned, I trust them almost completely.

Mr. BOILEAU. Will the gentleman yield right there?

Mr. McSWAIN. I yield.

Mr. BOILEAU. There is no man in the United States whom I trust more than the adjutant general of the National Guard of the State of Wisconsin. I know he is honest and sincere and all that. However, that is not the question involved. It is a question of whether or not the President shall have the power to send officers from one State to another State to act in any capacity he might see fit. I think there ought to be some restriction in time of peace. This anticipates action only in time of emergency, and not in the case of war.

Mr. McSWAIN. It is not the President who is asking for this power. It is not the War Department that is asking for it. It is the National Guard Association and the various adjutant generals of the States, civilian soldiers, who ask that the President be given this power. I am satisfied that their motives are patriotic and sincere and unselfish. While they have not undertaken to visualize just what the emergency might be, I cannot believe that the President of the United States would ask that those National Guard officers be called out at any time as strikebreakers or for any such purpose as that.

Mr. BOILEAU. Even though the President of the United States has not asked for this power, in the event of some trouble somebody might urge him or bring pressure to bear upon him to use this power. I do not think the President wants that power. He has not indicated that he does want it, and I do not think he should have it.

Mr. McSWAIN. I can see the considerations back of the gentleman's argument, but at the same time I respectfully ask the House to consider that this committee has considered these matters, sees no danger in it, and is willing to believe that the President and National Guard officers will do what is best for the interests of this Government at all times.

The SPEAKER. The time of the gentleman from South Carolina [Mr. McSWAIN] has expired.

Mr. MARCANTONIO. Mr. Speaker, up to the present moment the discussion has not revealed a single reason showing the necessity for this legislation. Just what is the emergency that requires the enactment of this legislation? Certainly it is not the emergency of war, yet nobody here advances even a theory as to just what is the emergency. I address this question to every member of the committee: What is the emergency for which we are providing?

As for the suggestion of the gentleman from Pennsylvania [Mr. FADDIS] that I am seeking to protect Communists, may I again say to him that I shall always try to protect labor, irrespective of the political belief of the workers involved. Labor has certain rights and I am not going to permit these rights to be destroyed simply because you do not like the politics of any group in the labor organizations. Their politics is their business and not ours. Their right to strike is our business and we should be ever vigilant to protect it. The cry of communism is the old war cry of strike breakers. They charge strikers with being Communists and under

the guise of a false patriotism they smash union headquarters, send strike leaders to jail, and force labor back to work under intolerable conditions. The use of the military in strikes has been too frequent in the past, and the danger of this bill is, as I see it, that the term "emergency" can only too readily be construed to mean a labor dispute, or a labor strike. Unless the members of the committee can define specifically the emergency they have in mind, I submit there is no excuse, reason, or justification for this bill. I have grave fears about it. Wage cuts will soon take place. The narrow definition of interstate given by the Supreme Court in the N. R. A. case will act as a signal to exploiters of labor to increase hours and cut wages. Labor will be forced to strike. Will such a situation be considered an emergency? I believe it may. Why pass such legislation as this, which may permit the fixed bayonets of the military to charge on the American workers, who may soon be out on strike for a decent American living wage?

Mr. CELLER. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I do not want to make an extended speech on the subject, but wish merely to read that portion of the report of the committee which contains an excerpt from a letter written by the Secretary of War. The last two paragraphs of this letter read as follows:

> No emergency exists nor can any be foreseen that justifies at this time amendments of the law respecting the National Guard of the United States. It is the view of the War Department that the time during which the law has been in effect is too short to have given its provisions a thorough test. Time and experience alone will determine what provisions need to be changed.
>
> For the foregoing reasons the War Department is of the opinion that the amendments proposed in H. R. 5720 are not warranted at this time. It is, therefore, recommended that the bill be not enacted into law.

Mr. Speaker, I think this statement of the attitude of the Secretary of War requires some cogent explanation from the proponents of the bill as to why the bill should pass.

Further, in these parlous times when labor disputes might arise at any moment the militia might be kept well in the background.

Much unnecessary strife, causing irreparable injury to property and great loss of life might well be saved by shelving this bill—I refer to the strife bred of the presence of unnecessary soldiers and militia during labor troubles.

Mr. McSWAIN. Mr. Speaker, I have already stated that we considered the opinions of the War Department; and I think the House will approve the attitude of the committee that we are not bound by the views of the War Department on matters where we differ with them. In this case rather than take their conclusions it was felt we should take the conclusions of the National Guard Association and the adjutant generals of the States that this legislation is timely.

Mr. Speaker, I think we have had sufficient discussion of this amendment; I think we all understand it, and I ask for a vote.

The SPEAKER. The question is on the amendment of the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. BOILEAU and Mr. MARCANTONIO) there were—ayes 34, noes 60.

Mr. ZIONCHECK. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 113, nays 192, not voting 125, as follows:

[Roll No. 88]

YEAS—113

Amlie	Celler	Eagle	Gray, Ind.
Ashbrook	Citron	Eicher	Greenway
Ayers	Coffee	Ellenbogen	Griswold
Beiter	Cole, N. Y.	Fitzpatrick	Healey
Biermann	Connery	Fletcher	Higgins, Mass.
Boileau	Crosser, Ohio	Focht	Hildebrandt
Brown, Ga.	Crowe	Gehrmann	Hill, Knute
Brunner	Cullen	Gilchrist	Hill, Samuel B.
Buckler, Minn.	Delaney	Gillette	Hope
Burdick	Dunn, Pa.	Granfield	Hull
Imhoff	McFarlane	Peterson, Fla.	Smith, W. Va.
Jacobsen	McGrath	Peterson, Ga.	Spence
Jenckes, Ind.	McGroarty	Pierce	Stack
Johnson, Tex.	McKeough	Polk	Stubbs
Johnson, W. Va.	Marcantonio	Quinn	Sweeney
Kee	Martin, Colo.	Ramsay	Thom
Kelly	Massingale	Reilly	Tolan
Kenney	Mead	Richards	Truax
Kloeb	Meeks	Robsion, Ky.	Umstead
Kniffin	Monaghan	Ryan	Wallgren
Kopplemann	Moran	Sabath	Welch
Kramer	Mott	Sanders, La.	White
Kvale	Murdock	Sauthoff	Withrow
Lemke	O'Brien	Schneider	Wood
Lesinski	O'Connell	Schulte	Young
Lewis, Colo.	O'Day	Sears	Zioncheck
Ludlow	O'Leary	Secrest	
Lundeen	O'Malley	Sisson	
McAndrews	Patterson	Smith, Wash.	

NAYS—192

Adair	Dickstein	Kahn	Rich
Allen	Dies	Keller	Robertson
Andresen	Dingell	Kerr	Robinson, Utah
Andrew, Mass.	Disney	Kimball	Rogers, Mass.
Andrews, N. Y.	Ditter	Kinzer	Rogers, N. H.
Arnold	Dobbins	Kleberg	Rogers, Okla.
Bacharach	Dockweiler	Knutson	Romjue
Bacon	Dorsey	Kocialkowski	Sanders, Tex.
Barden	Doughton	Lambeth	Sandlin
Blackney	Doxey	Lanham	Schaefer
Bland	Drewry	Larrabee	Scrugham
Blanton	Driver	Lea, Calif.	Shanley
Bloom	Duffey, Ohio	Lloyd	Short
Bolton	Duncan	Lucas	Smith, Conn.
Boylan	Eaton	McCormack	Smith, Va.
Brewster	Edmiston	McGehee	Snell
Buchanan	Engel	McLean	Snyder
Buck	Englebright	McMillan	Sutphin
Buckbee	Faddis	McReynolds	Tarver
Burch	Farley	McSwain	Taylor, Colo.
Burnham	Fenerty	Maas	Taylor, S. C.
Caldwell	Ferguson	Maloney	Taylor, Tenn.
Cannon, Mo.	Fernandez	Mansfield	Terry
Carter	Fish	Mapes	Thomason
Cartwright	Flannagan	Marshall	Thompson
Cary	Ford, Calif.	Martin, Mass.	Thurston
Castellow	Ford, Miss.	May	Tinkham
Cavicchia	Frey	Merritt, Conn.	Tobey
Chapman	Fuller	Merritt, N. Y.	Treadway
Church	Fulmer	Michener	Turner
Claiborne	Gasque	Millard	Turpin
Clark, N. C.	Gearhart	Mitchell, Ill.	Vinson, Ga.
Colden	Greenwood	Mitchell, Tenn.	Vinson, Ky.
Cole, Md.	Gregory	Montet	Wadsworth
Colmer	Guyer	Norton	Warren
Cooley	Halleck	O'Connor	Weaver
Cooper, Tenn.	Hamlin	Palmisano	West
Cox	Hancock, N. Y.	Parks	Whelchel
Cravens	Harlan	Parsons	Whittington
Crosby	Hart	Patman	Wigglesworth
Cross, Tex.	Hess	Patton	Wilcox
Crowther	Hill, Ala.	Pittenger	Wilson, La.
Culkin	Hoeppel	Plumley	Wilson, Pa.
Cummings	Hollister	Powers	Wolcott
Daly	Holmes	Randolph	Wolfenden
Darden	Huddleston	Rankin	Wolverton
Deen	Johnson, Okla.	Rayburn	Woodruff
Dempsey	Jones	Reed, Ill.	Woodrum

NOT VOTING—125

Arends	Dirksen	Jenkins, Ohio	Reece
Bankhead	Dondero	Kennedy, Md.	Reed, N. Y.
Beam	Doutrich	Kennedy, N. Y.	Richardson
Bell	Driscoll	Lambertson	Rudd
Berlin	Duffy, N. Y.	Lamneck	Russell
Binderup	Dunn, Miss.	Lee, Okla.	Sadowski
Boehne	Eckert	Lehlbach	Schuetz
Boland	Ekwall	Lewis, Md.	Scott
Brennan	Evans	Lord	Seger
Brooks	Fiesinger	Luckey	Shannon
Brown, Mich.	Gambrill	McClellan	Sirovich
Buckley, N. Y.	Gassaway	McLaughlin	Somers, N. Y.
Bulwinkle	Gavagan	McLeod	South
Cannon, Wis.	Gifford	Mahon	Starnes
Carden	Gildea	Mason	Steagall
Carlson	Gingery	Maverick	Stefan
Carmichael	Goldsborough	Miller	Stewart
Carpenter	Goodwin	Montague	Sullivan
Casey	Gray, Pa.	Moritz	Sumners, Tex.
Chandler	Green	Nelson	Taber
Christianson	Greever	Nichols	Thomas
Clark, Idaho	Gwynne	Oliver	Tonry
Cochran	Haines	O'Neal	Underwood
Collins	Hancock, N. C.	Owen	Utterback
Cooper, Ohio	Harter	Pearson	Walter
Corning	Hartley	Perkins	Wearin
Costello	Hennings	Pettengill	Werner
Crawford	Higgins, Conn.	Peyser	Williams
Darrow	Hobbs	Pfeifer	Zimmerman
Dear	Hoffman	Rabaut	
DeRouen	Hook	Ramspeck	
Dietrich	Houston	Ransley	

So the amendment was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Corning with Mr. Cooper of Ohio.
Mr. Beam with Mr. Dondero.
Mr. Maverick with Mr. Goodwin.
Mr. Cochran with Mr. Taber.
Mr. Montague with Mr. Ransley.
Mr. Miller with Mr. Lord.
Mr. Nelson with Mr. Darrow.
Mr. Oliver with Mr. Gifford.
Mr. Ramspeck with Mr. Ekwall.
Mr. Goldsborough with Mr. Lehlbach.
Mr. Steagall with Mr. Reed of New York.
Mr. Green with Mr. Stewart.
Mr. Hancock of North Carolina with Mr. Thomas.
Mr. Sumners of Texas with Mr. Seger.
Mr. Williams with Mr. McLeod.
Mr. Sullivan with Mr. Stefan.
Mr. Kennedy of New York with Mr. Perkins.
Mr. Underwood with Mr. Jenkins of Ohio.
Mr. Haines with Mr. Hartley.
Mr. Fiesinger with Mr. Reece.
Mr. Moritz with Mr. Lambertson.
Mr. Pettengill with Mr. Hoffman.
Mr. DeRouen with Mr. Gwynne.
Mr. Carmichael with Mr. Higgins of Connecticut.
Mr. Carden with Mr. Crawford.
Mr. Bulwinkle with Mr. Doutrich.
Mr. Rudd with Mr. Carlson.
Mr. Boland with Mr. Arends.
Mr. Boehne with Mr. Christianson.
Mr. Bankhead with Mr. Dirksen.
Mr. Nichols with Mr. Collins.
Mr. Dietrich with Mr. Pfeifer.
Mr. Pearson with Mr. Casey.
Mr. McLaughlin with Mr. Lamneck.
Mr. Lee of Oklahoma with Mr. Bell.
Mr. Brooks with Mr. Luckey.
Mr. Mahon with Mr. Chandler.
Mr. Owen with Mr. Rabaut.
Mr. Dear with Mr. Duffy of New York.
Mr. South with Mr. Berlin.
Mr. Walter with Mr. Hobbs.
Mr. Somers of New York with Mr. Richards.
Mr. Evans with Mr. Costello.
Mr. O'Neal with Mr. Clark of Idaho.
Mr. Brennan with Mr. Mason.
Mr. Lewis of Maryland with Mr. Brown of Michigan.
Mr. McClellan with Mr. Cannon of Wisconsin.
Mr. Dunn of Mississippi with Mr. Carpenter.
Mr. Russell with Mr. Eckert.
Mr. Gassaway with Mr. Starnes.
Mr. Zimmerman with Mr. Kennedy of Maryland.
Mr. Werner with Mr. Hook.
Mr. Schuetz with Mr. Tonry.
Mr. Gavagan with Mr. Harter.
Mr. Scott with Mr. Buckley of New York.
Mr. Gambrill with Mr. Hennings.
Mr. Houston with Mr. Utterback.
Mr. Wearin with Mr. Greever.
Mr. Gray of Pennsylvania with Mr. Sirovich.
Mr. Peyser with Mr. Gildea.

Mrs. GREENWAY, Mr. WELCH, Mr. COFFIN, Mrs. JENCKES of Indiana, Mr. O'BRIEN, Mr. MEEKS, Mr. SPENCE, Mr. GRANFIELD, and Mr. BEITER changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The Clerk read as follows:

SEC. 7. That section 111 of said act be, and is hereby, amended by striking out after the words "any or all units and", in the first sentence of said section, the words "the members thereof" and inserting in lieu thereof the word "members."

Mr. DINGELL. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I ask unanimous consent to proceed out of order for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, at this time I want to report an unfortunate accident to a Member of the House, my colleague from Michigan, Mr. RABAUT, who wants to be recorded as unable to be here for an indefinite period.

Mr. BOLTON. Mr. Speaker, I move to strike out the last two words for the purpose of asking the chairman a question with reference to section 6.

I notice that in line 22, on page 4, it is stated:

Under such regulations as the Secretary of War shall prescribe, the material, animals, armament, and equipment, or any part thereof, of the National Guard of any State, Territory, or the District of Columbia, or organizations thereof, may be put into a common pool for care, maintenance, and storage; and the employment of caretakers therefor, not to exceed 15 for any one pool, is hereby authorized.

I want to ask particularly the reason for this wording, whether it has reference to animals, and whether it was the intention of the War Department to pool animals of Cavalry regiments. I think it would be very undesirable if, for instance, in a State the animals of 8 or 10 troops of cavalry were all pooled and subject only to the care of 15 caretakers.

Mr. McSWAIN. The gentleman will realize that the proposal to pool equipment and armament is, of course, in the nature of economy. The same argument would apply as to the care of animals; provided, of course, the limitation of 15 caretakers should not be so restrictive as to make it impossible properly to care for the animals.

We must assume, if this should become law, the Secretary of War would not make a regulation, which is under his control, as to animals requiring the pooling of more animals in any one particular case than 15 caretakers could care for and oversee.

Mr. BOLTON. I know that in the Appropriations Committee there was considerable discussion as to the number of animals one caretaker could properly handle. I think that subject has been a bone of contention in the guard for several years. We attempted to clarify that by having our appropriations provide, as I recall, 1 caretaker for every 15 animals. However, I remember very distinctly an incident in the State of Ohio where it was attempted to pool the animals of two or three troops of Cavalry and it worked to the detriment of the various units involved.

Mr. McSWAIN. If that showing were made the Secretary of War would not make a regulation, I am sure, which would mean the neglect of the animals. That would be the sense of the House, and I should be glad to join with the gentleman, if that condition arises in his State, in urging the Secretary of War to make no such detrimental regulation.

Mr. BOLTON. I thought that was the intent of the committee, and I wanted that brought out.

Mr. PARKS. Under the provisions of this bill, is the discretion left to the Secretary of War as to whether or not the animals shall be concentrated and more than 15 put under the care of 1 man?

Mr. McSWAIN. It is left to the Secretary of War, under the language of this act, to make such regulation whereby the pooling of material, armament, munitions, animals, and so forth, may be had. There is the proposal here that in no case will the caretakers of any 1 pool exceed 15. That is the proposal here. If there should be such a pool where 15 could not take care of the situation, it would be up to the Secretary of War to modify his regulations and provide for 2 or 3 pools in a State, rather than 1.

Mr. PARKS. He has that discretion and that power?

Mr. McSWAIN. Yes; and I think he will exercise it wisely.

COMMENCEMENT AT SHEPHERD STATE TEACHERS COLLEGE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a commencement address delivered this morning at Shepherdstown, W. Va., by Harold L. Ickes, Secretary of the Interior.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following commencement address by Hon. Harold L. Ickes, Secretary of the Interior, at Shepherd State Teachers College, Shepherdstown, W. Va., June 5, 1935:

There is one ideal that the teacher should always have before him and that is the ideal of truth. The quality and degree of our civilization is measured by the extent of our devotion to the truth. Our physical well-being, our happiness, the maintenance of our institutions, and the future security and welfare of our children depend upon whether truth or error shall in the end prevail in the age-long struggle upward from the cave man in which we have been engaged. "Seek the truth, and the truth shall make you free," is not merely a striking phrase—it contains within itself the hard kernal of incontrovertible fact.

The teacher is under an especial obligation not only to pursue the truth into its furthermost lair but, having proved it, to proclaim it. There is one supreme test of the fitness of any man or woman to become a member of what is one of the finest and noblest of all professions, and that test is his devotion to truth. And this devotion must be real. No lip service, pretending to hue to the line of truth, while in fact, indifferent to it; no compromising of the verities of history and nature and life can be regarded as anything less than an act of betrayal. No easier way than that of truth should ever be trod by those entrusted with the greatest of all responsibilities, which is that of training the minds of our youth. No teacher is worthy of his great cause, who if need be, in the service of truth, is not prepared to endure privations and suffer the scornful insults of those who, through ignorance or for some sinister and antisocial purpose, would substitute superstition for knowledge and prejudice for reason.

It is especially important in times of social unrest resulting from economic stress and strain, such as we are passing through at the present time, that the teacher should firmly keep his feet upon the solid rock of truth that has laboriously been hewn out of the superstitions, the errors, the false philosophies, and the deliberate misrepresentations of the past and the present. It is a truism that a democratic form of government is of all others most dependent upon an enlightened public opinion. And there can be no public opinion that is really enlightened that is not based upon a painstaking investigation of past and present social, economic, political, and physical facts. The measure of our success in maintaining and developing a sound and enduring system of popular government will be the measure of our success in qualifying ourselves and our children, by a process of intensified and specialized education, to perform intelligently our grave duties as citizens of the Republic.

The only way to overcome error is to enter truth in the lists against it. Some people have the naive notion that the method to be employed to meet false social, economic, or political doctrines is to shut our eyes and ears to them; ostrich-like, to ignore their existence. This is just as fallacious as the notion that a special loyalty oath, not required of other professions, or of citizens generally, should be exacted of the teacher, thus casting an unjust stigma upon a profession whose self-sacrificing devotion to duty as well as to truth is an example to inspire all the world.

For my part I believe that the American Government is the best that has been evolved by the mind of man. If I were not satisfied that our American political institutions are the most enlightened and the freest in the world, I would join the ranks of those who would forbid the hateful words "fascism" and "communism" even to be spoken in a whisper in our schools; but since I am a firm believer in our American system, I am willing to have it compared critically with fascism or communism, or any other "ism", confident as I am that as the result of such critical comparison we would be even surer than we are that for Americans the American way of life is the ideal way of life. In all our affairs the way to overcome superstition and prejudice and dispel false propaganda is to turn on the light of truth, just as the way to disperse noxious vapors is to expose them to the sunlight.

While we may justifiably be satisfied that our form of government, firmly grounded as it is upon constitutional sanctions, is the best that has yet been developed, it is not required of us that we insist that that system cannot be, and ought not to be, improved. In fact, one of the strong points about our institutions is that it has been recognized from the beginning that they are susceptible of improvement, to effect which the necessary instrumentalities are always at hand. Congress, our State legislatures, and our city councils all have the right to amend or repeal laws in the light of experience, or determined needs. Our Federal and State Constitutions, possessing within themselves, as they do, machinery for revision and change, contain also implications that even those extraordinary instruments may not be infallibly perfect. The Constitution of the United States, since its adoption, has already been changed 21 times, with a twenty-second amendment now making the rounds of the States for ratification. Undoubtedly it will be amended to meet future needs; to give concrete expression to other political and social aspirations of the American people.

So long as social and political changes are brought about by constitutional methods, there need be no fear for the safety and the perpetuity of our American institutions. As I see it, the teacher should be careful not to inculcate the idea that changes, as and when desired by the people, should not be made. On the contrary, they should teach that the American system is particularly superior to other forms of government in that, in an orderly and constitutional way, it provides for changes in our fundamental law, whenever the people believe that they are for the benefit of the country.

The present threat to our American institutions does not rest upon economic or political fallacies that are bred on alien soil. These will evaporate into thin air when exposed to the clear light of truth. The threat, and it is a real one, comes from within. It comes from those influences that would circumscribe, or even deny, those fundamental constitutional guaranties of a free press, free speech, and the right of free assemblage. The attack on these basic liberties is a stroke aimed at the very heart of our American system of government. Deprive us of these rights, and we will have no weapons left in our hands with which to resist the onslaught of error or fallacy, either from abroad or from within our own borders. Leave us these three essential weapons, without which a free democracy cannot hope to exist, and we will be able to resist any attack of poisonous propaganda or insidious doctrine.

Free speech is as vital to the schoolroom as free assemblage is to the people, and as a free press is to the newspapers. These rights are of equal importance. Each is an integral part of the trilogy which guards our liberties. Without them we may be called upon to endure the tragedies which have befallen other peoples who are denied these basic and fundamental rights. Majorities can protect themselves, but minorities must rely on the protection afforded by these three rights. They are the beacons that light the way of progress for us. If one is extinguished the others will languish and die.

That we are in the preliminary stages of profound and significant social changes in this country cannot be doubted by any intelligent student of history or of current events. How long the period of gestation will be, no one can predict, but that the America of the next generation will be profoundly different from that of the present, no one can doubt. Whether the social order of our children will be a better and more desirable social order than that of the present lies largely in your hands, and particularly does it lie in the hands of those of you to whom we shall entrust the teaching of our children. I have no hesitation in saying that the result will depend upon your ability, with clear sight and true hearts, to face the facts of the past and the present, with a high resolve that you will carry on into the future what has been found to be good when tested by truth in the laboratory of experience, and that we will discard what has been proved to be spurious or false or base.

At least one truth has been indelibly burned into our souls as a result of the tragic experience through which we have been passing during these past few years. We now know that no man, however strong he may be, should be permitted to be a law unto himself. We know now there is something more to life than the acquisitions of wealth, the gratification of personal desires. We know now that that man's life will be most truly rich and satisfactory, who, at the end thereof, can look back upon years devoted to the common good, to unselfish and even unrewarded efforts to help to make the world a better and a happier place in which to live.

I believe that we are witnessing the birth throes of a finer and a better social order. You are either going out to help to improve our social order, or to assist, either actively or by acquiescence, in making it a worse one. It will be one or the other. We cannot stand still, even if we would. If you have the courage to smile in the face of disappointment, to overcome difficulties, to look squarely into the sullen eyes of possible adversity, it will be your privilege to help to determine the principles of the new social order that is coming, whether we will it or not, and shape those principles into workable and desirable political formulae.

Yours will be the task to give reality to the vision that all of us are glimpsing today. If we are to build a happier future for our children and our children's children, we must build it together. We must let live if we would ourselves live. We must adopt and adhere to a policy of protecting the weak against the strong; of curbing overreaching and ruthless power; of assuring to all, both weak and strong, that equality of opportunity under the law which we have boasted to be the cornerstone of our American civilization.

Realizing as we do our mutual dependence on each other, knowing that we must all go up or down together, understanding that the happiness of all is the sum of the happiness of each, there are certain goals that we must set up for ourselves to achieve.

Let us strive together to the end that every man and woman and child in this land shall be given an opportunity equal to that of every other man or woman or child to carve out for himself a happier and more worth-while life. Let us see to it that everyone who works does so in wholesome surroundings and receives for that work wages that will provide the necessities of life and something besides for modest pleasures and luxuries. Let us assure to all who work everywhere a legitimate share of leisure to enjoy the American civilization that they are helping to build. It is not enough that any worker in this land of plenty should derive from a life of toil only the bare privilege of staying alive in order to continue to toil.

In the new social order that we intend to build upon the catastrophe through which we are now passing let there be no more child labor. Let us do away with sweatshops. Let us protect our women workers from unreasonably long hours of employment at tasks beyond their strength. Let us be honorable and fair in our business dealings with each other. Let us understand and control our economic system so that it will no longer run wild at intervals, smashing itself upon the rocks and throwing millions of men and women out of work. Let us make it impossible for a handful of acquisitive, predatory men to accumulate disproportionate and antisocial wealth by exploiting less fortunate people in no position to protect themselves. Let us clean up our slum areas, both in the cities and on the countryside. Let us insist upon a just and fair system of taxation, instituted and maintained for the common welfare, the essential feature of which will be the assessment of taxes in proportion to ability to pay. Let us conserve our natural resources, preventing waste and reckless exploitation of our common heritage while at the same time reasonably developing those resources for our legitimate needs.

The new social order calls for even-handed justice, regardless of social standing, business or political prestige, or wealth. It will tolerate no racial or religious prejudice. It envisages the bringing of farm prices into fair relationship with factory prices and aiding in every way possible our stricken farm industry to rehabilitate itself. Under the new social order those men who want work and are able to work will be given work and no one, unless he so wills

it, will be compelled to go hungry or cold. To assure this, there must be established a system of social insurance—old age, disability, unemployment, etc.—thus meeting in the most economical and self-respecting manner an obligation which in any event society must somehow meet.

Particularly must we see to it that opportunities for an education are provided for every child born in the land up to his capacity to absorb and use that education. But education without a highly developed sense of social responsibility would be a tragic failure. We would be better off without an education that is used for selfish ends or hired out to the highest bidder to be used for antisocial purposes. Education is the finest flower of American idealism. It has been to us a second religion. It is the symbol of our hopes for a better life for our children than we have ourselves had, of our dreams of a richer and finer opportunity for all men everywhere under the American flag. We must not permit our precious heritage of intelligence, which the human race has acquired through many weary centuries of struggle, to be restricted or devoted to base ends.

I have enumerated some of the goals toward which we are headed. After doubt and hesitation and grim despair, we are at last moving in the right direction. But I would warn you that it is a long road that we must travel. You members of this graduating class are heirs both to our achievements and to our mistakes. I charge you to make the best use possible of our achievements for the benefit of yourselves and of society. As to our mistakes, we would not have you forget them, grievous and devastating though they have been. We would have you profit by them. Set them up as red traffic lights along the road that I confidently hope your feet will tread in the direction of a social order that, so far as the essential and worth-while things of life are concerned, will be the best social order that the world has ever seen.

But if it is to be the best social order that the world has ever seen, it must be anchored to and guided by the truth. At the beginning of my remarks today I exhorted you to seek the truth because the truth would make you free. I will close with this objurgation: Hold on to the truth, and the truth will keep you free.

NATIONAL DEFENSE ACT, JUNE 3, 1916

Mr. MOTT. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, at the beginning of the debate it was not disclosed what this bill was about, and in spite of the efforts made here on the floor to find out something about it, I contend that its purpose, if it has any, has not yet been disclosed. I doubt very much whether anyone can determine what this bill is for, either by reading the bill or the report.

I stated at one time during the discussion that if any good reason or any necessity could be shown for the enactment of this legislation I would be very glad to vote for it, because I have consistently supported every bill having for its purpose the good of the National Guard. But not only has no good reason been shown, but I believe it must be apparent to every Member here that no serious attempt has been made to advance any reason whatever, through anything that has been said on this floor, why this proposed legislation should become law. The House, obviously, should not pass legislation for which its sponsors either cannot or will not give a reason when the reason for it is demanded from the floor in open debate.

At the conclusion of this debate a motion to recommit the bill will be offered, and I trust very sincerely that Members will realize that legislation should not be considered in this fashion and that they will vote for that motion.

This bill provides that the President, in case of an emergency in peace time, may mobilize the officials of the National Guard and send them on active duty. Why? If there is a reason why the President should do this, why not state it? He may take them from one State and put them on active duty in another State. For what purpose? For active duty in regard to what? In what sort of peace-time emergency—for it is only in such an emergency that the authority is to be exercised—is it contemplated that this may be necessary or proper? When the Chairman of the Military Affairs Committee was asked what peace time emergency was anticipated or contemplated in this connection, he said very frankly he did not know. He suggested merely that some such emergency might conceivably happen. And no one has ever suggested during this debate an emergency which would be even likely to happen and which would warrant the President of the United States in mobilizing the officials of the National Guard—not the Guard itself but only the officials—and sending them into active duty in other States. If the emergency visioned by the sponsors of the bill is so vague and remote that it cannot even be named, then I submit that there is no justification for legislation to meet it.

It has been stated that the National Guard Association and the Reserve Officers' Association urgently request this bill. If that is so, I have never heard of that fact. I am quite well acquainted with our own Adjutant General and with the commander of the Eighty-second Infantry Brigade in Oregon, and I feel that if this bill were so important to the interests of the National Guard as some gentlemen have rather mysteriously intimated it is, I would have heard something about it from our own National Guard officers by this time. Neither have I any evidence whatever that the Reserve Officers' Association is interested in this proposed change in the law, as has been asserted here. On the other hand, the only testimony before the committee, so far as this report discloses, consists of two letters, one from an official of the Reserve Officers' Association and the other from an official of the National Guard Association. And do either one of these letters constitute, by any stretch of the imagination, an endorsement of this bill? They do not. The contents of these two letters simply indicates there has been a dispute of some sort between the two associations as to the merits of this bill and that they will agree to support it only on condition that certain amendments are made.

On the contrary, however, you have a positive report from the Secretary of War incorporated in the body of the committee report affirmatively recommending against the passage of the bill. Here is what the Secretary of War says:

> Careful consideration has been given to the provisions of H. R. 5720, a bill to amend the National Defense Act. This bill, in fact, proposes to amend those provisions of the National Defense Act that appeared in the act of June 15, 1933, known as the "National Guard Act." This act established the National Guard of the United States.
>
> The provisions of this act were subjected to long and exhaustive study in the War Department over a period of years prior to its enactment. Officers of the National Guard contributed their knowledge and practical experience of the problems confronting the National Guard. The bill as introduced was in effect their bill.
>
> The effect of the change in status of the National Guard is to make of it a Federal force, subject to the orders of the President in an emergency declared by the Congress. This new status became effective on April 4, 1934, in accordance with the provisions of a general order published by the War Department on that date. It will be seen, therefore, that the National Guard of the United States has been in existence only 11 months, and the provisions of the act of June 15, 1933, have not had a thorough trial.
>
> No emergency exists nor can any be foreseen that justifies at this time amendments of the law respecting the National Guard of the United States. It is the view of the War Department that the time during which the law has been in effect is too short to have given its provisions a thorough test. Time and experience alone will determine what provisions need to be changed.
>
> For the foregoing reasons the War Department is of the opinion that the amendments proposed in H. R. 5720 are not warranted at this time. It is, therefore, recommended that the bill be not enacted into law.

So, as I stated, no good reason has been shown, and, in fact, no reason whatever has been shown for the enactment of this legislation. On the other hand, you have in the adverse report of the Secretary of War a sufficient and an intelligent reason why it should not be enacted.

May I say in conclusion that this bill has been brought in here in a manner in which I believe no legislation should be submitted to the House. It is so badly drawn it is actually difficult to tell what is meant by the bill. The report does not comply with the Ramseyer rule, and there can be no possible excuse for that. We do not know, from reading the bill, what part of the original law is to be amended unless we get the law and search it, and we do not know exactly what the scope of the amendments are, because the text of the original law is not given in the report, as the Ramseyer rule requires. This legislative body should not undertake to pass a bill unless the committee which reports the bill reports it in compliance with the rules of the House and gives some plausible reason for its passage. For that reason I think the motion to recommit should be adopted. The bill would then go back to the committee. The committee could then send it in properly drafted, together with a report telling us exactly why the committee favors it, what the real purpose of it is, and why the House should pass it. If the committee is not willing to do that, I shall be obliged to vote against the bill on final passage.

Mr. HILL of Alabama. Mr. Speaker, I move to strike out the last four words.

Mr. Speaker, there is nothing mysterious or hidden in this bill. The truth is that with the exception of one provision, which is a provision of little consequence with reference to certain caretakers of National Guard property, all this bill does is to carry out what was the intent of the Congress when the Congress passed the basic National Guard Act of June 16, 1933. This bill comes before the House today on account of the fact that, due to certain interpretations and certain constructions that the Congress did not and could not foresee, the intent of the Congress in passing the original act has been in a few small particulars thwarted.

The reason for section 1, giving to the President of the United States authority in time of emergency to call out a National Guard officer for a period of 15 days, or longer with his consent, is this: Before the passage of the basic National Guard Act of June 16, 1933, National Guard officers were eligible for commissions in the Officers' Reserve Corps of the United States, and practically all of the National Guard officers availed themselves of this privilege and received their Reserve Corps commissions. By a construction of the National Guard Act of June 16, 1933, this privilege has now been taken away from National Guard officers, and that act is construed to mean that National Guard officers can no longer receive commissions in the Officers' Reserve Corps. Section 1 would simply give back to National Guard officers the same right to be called by the President in case of emergency that they had prior to the act of June 16, 1933, when they held Reserve commissions.

Under the law today the President of the United States at any time, whether there be an emergency or not, as the Commander in Chief of the Army of the United States, can call out every Reserve officer in the land for a period of 15 days, and for a longer period with the consent of the Reserve officer.

There are some ninety-thousand-odd active Reserve officers. There are some 18,000 National Guard officers; and, as I have said, all that section 1 will do will be simply to restore to these 18,000 National Guard officers the privilege that they formerly enjoyed before the passage of the act of June 16, 1933, and the privilege that all these ninety-thousand-odd Reserve Corps officers now enjoy.

So why should we haggle or quibble about the right of the President to do what he could do before June 16, 1933, and what he can do with reference to all the 90,000 Reserve officers, and, of course, what he can do with reference to every officer in the Regular Army of the United States?

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. FITZPATRICK. In the 1933 act the word "emergency" was in the original bill and the committee struck it out. Is that not true?

Mr. HILL of Alabama. The word "emergency" is still in the original act insofar as an emergency declared by Congress is concerned.

Mr. FITZPATRICK. That is absolutely true, but it must be by an act of Congress.

Mr. HILL of Alabama. Oh, no. Let us keep in mind the line of distinction, which is very clear. Those words with reference to a declaration of an emergency by Congress apply only where you are to call out your enlisted men and your National Guard, as National Guard units, and not where you are simply calling out individual National Guard officers.

Section 1 of the bill now before us is applicable only to National Guard officers, giving them, as I have tried to make clear, the privilege that they had until the passage of the act of June 16, 1933; a privilege that the Congress did not intend to change or take away from these officers, but which, by construction, has been taken away from them.

Mr. FITZPATRICK. But it was in the original bill passed in 1916, and the committee amended it by striking out the word "emergency."

Mr. HILL of Alabama. No; not as to this provision, which applies only to calling out officers.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. I yield to the gentleman from Oregon.

Mr. MOTT. I did not quite understand what privilege it was that the National Guard officers had prior to 1933 which was taken away from them by that act.

Mr. HILL of Alabama. They had the privilege of holding a commission in the Reserve Officers' Corps, which practically all of them held, and by holding this commission they, like all the Regular Reserve officers, could be called into service by the President of the United States for a 15-day period, or for a longer period with their consent.

Mr. ZIONCHECK. Section 1 does not give them that privilege.

Mr. HILL of Alabama. That is exactly what section 1 does do. This bill does nothing whatever except carry out what was the intent and purpose of this House and the Congress of the United States when it passed the basic act of June 16, 1933.

Mr. ZIONCHECK. Can the gentleman show in section 1 where that power or that privilege is given?

[Here the gavel fell.]

Mr. MOTT. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 minutes more.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ZIONCHECK. I would like to have the gentleman answer my question.

Mr. HILL of Alabama. I shall have to yield first to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. If I understand the gentleman correctly, according to his explanation—which, by the way, is the first explanation of this bill that has been given on the floor—the purpose of this bill is to give National Guard officers the same opportunity for commissions as the Reserve officers have at the present time.

Mr. HILL of Alabama. For commissions? Oh, no; they hold commissions in the National Guard. This is to give them the same opportunity to be called out by the President that the Reserve officers have today.

Mr. MOTT. Then why could not the bill simply state that?

Mr. HILL of Alabama. It was not the best way to write this particular legislation.

Mr. MOTT. I think if you had written the bill in that way it would be much plainer than it is now.

Mr. HILL of Alabama. The basic act dealt only with the National Guard, and an amendment to the basic act had to deal with the language found in the basic act, and the language of the bill is according to the best and simplest procedure, in view of the language in the basic act.

[Here the gavel fell.]

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman may have one additional minute in order that I may ask a question.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ZIONCHECK. In the national basic act was there any similar provision in the event of an emergency?

Mr. HILL of Alabama. In the national basic act there is a provision that in the event of war declared by Congress or a national emergency declared by Congress the President then can call into the Federal service the National Guard, which means the enlisted personnel as well as the officers.

Mr. ZIONCHECK. But under this bill the President can simply declare an emergency and then can call out the officers of the National Guard and put them in any State he wishes.

Mr. HILL of Alabama. Just exactly as he can call out the 90,000 Reserve officers and the 12,000 Regular Army officers.

Mr. ZIONCHECK. And the gentleman feels that he needs these additional 18,000 officers?

Mr. HILL of Alabama. I think, in justice to the National Guard officers, they ought to have the same rights and the same standing that the Reserve officers have, and that is the issue in this bill.

Mr. CONNERY. Mr. Speaker, I rise in opposition to the pro forma amendment. I do not like this section, in spite of the explanation by my good friend from Alabama [Mr. HILL]. I went before the Committee on Military Affairs by the courtesy of the distinguished chairman, in a hearing on a bill that I introduced, asking that the National Guard be not called out in any State of the Union by the Governor of that State in a strike or labor disturbance without the permission of the Secretary of War.

At that time the members of that committee said, "Oh, no; you should not delegate that power to the Secretary of War or the President, you should leave it to the Governors of the States." Now, they come in here with the proposition to leave to the President of the United States the very thing they would not do when I asked them to do it.

In other words, it looks to me as if the situation was like this: That if we have any more strikes or labor disturbances the President can call out the officials of the National Guard, send them to any State he wants to, to help break a strike, as the National Guard has been used for the last few months—driving people back into the mills at the point of the bayonet, when they have been doing nothing except picketing. They put women in a warehouse and kept them for 24 hours. This looks to me like another step in the attempt to break labor strikes and labor disturbances.

Mr. McSWAIN. The gentleman must assume that the Secretary of War would not send out officers of the National Guard or the National Guard equipment in labor troubles unless it was approved by the President of the United States.

Mr. CONNERY. That is right.

Mr. McSWAIN. If that is so, why is the gentleman opposed to putting that authority in the hands of the President of the United States?

Mr. CONNERY. I would like to take away the power to call out the Reserve officers. I believe the Congress of the United States is the only one to decide when the National Guard shall be called out. I do not think the National Guard should be called out except in war time.

Mr. HILL of Alabama. The gentleman knows that a great many Reserve officers are in the C. C. C. camps, and the gentleman would deny the same provision with reference to the National Guard.

Mr. CONNERY. I do not think that any National Guard officer or Reserve officer should be in the C. C. C. camps. I think they could be well served by civilians who need the jobs.

Mr. HILL of Alabama. The gentleman would deny the National Guard officers the same right that the Reserve officers have?

Mr. CONNERY. The gentleman did not hear what I said a few moments ago. I do not think they should try to sneak any more in.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BOILEAU. The gentleman from Alabama [Mr. HILL] suggests using the National Guard officers in C. C. C. camps. What kind of an emergency is that? This bill provides that the President can call them into duty only in case of an emergency. I cannot conceive, with the strongest imagination, that bringing these men into the C. C. C. camps is bringing them there under an emergency.

Mr. MARCANTONIO. And, as a matter of fact, the C. C. C. camps were never considered or intended to be military camps.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. McSWAIN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MARCANTONIO. Mr. Speaker, I offer the following motion to recommit, which I send to the desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARCANTONIO. Yes; I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Motion to recommit by Mr. MARCANTONIO: I move to recommit the bill (H. R. 5720) to the Committee on Military Affairs.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 34, noes 51.

So the motion to recommit was rejected.

The SPEAKER. The question now is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 58, noes 42.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote because there is no quorum present, and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. Evidently there is no quorum present. The Doorkeeper will close the doors and the Clerk will call the roll. The question is on the passage of the bill.

The question was taken; and there were—yeas 182, nays 119, not voting 137, as follows:

[Roll No. 89]

YEAS—182

Allen	Dobbins	Kocialkowski	Richards
Andresen	Dockweiler	Kramer	Robinson, Utah
Andrew, Mass.	Dorsey	Lambeth	Rogers, Mass.
Andrews, N. Y.	Doughton	Lanham	Rogers, N. H.
Arnold	Doxey	Larrabee	Rogers, Okla.
Bacharach	Drewry	Lea, Calif.	Romjue
Bacon	Driver	Lloyd	Ryan
Barden	Duffey, Ohio	Lucas	Sanders, La.
Blackney	Duncan	McCormack	Sandlin
Bland	Eaton	McGehee	Schaefer
Blanton	Edmiston	McGrath	Scrugham
Bloom	Engel	McLean	Shanley
Bolton	Englebright	McMillan	Short
Brooks	Faddis	McReynolds	Smith, Conn.
Brown, Ga.	Farley	McSwain	Snyder
Buchanan	Fenerty	Maas	Sutphin
Buck	Flannagan	Mansfield	Tarver
Buckbee	Focht	Mapes	Taylor, Colo.
Caldwell	Ford, Miss.	Marshall	Taylor, S. C.
Cannon, Mo.	Frey	Martin, Mass.	Terry
Carter	Gasque	May	Thomason
Cary	Gearhart	Merritt, Conn.	Thompson
Castellow	Greenwood	Merritt, N. Y.	Thurston
Cavicchia	Gregory	Michener	Tinkham
Chapman	Haines	Millard	Tobey
Church	Halleck	Mitchell, Ill.	Tolan
Claiborne	Hancock, N. Y.	Mitchell, Tenn.	Turner
Clark, N. C.	Harlan	Montet	Turpin
Coffee	Hart	Norton	Vinson, Ga.
Colden	Harter	O'Connor	Vinson, Ky.
Cole, Md.	Hess	Owen	Wadsworth
Cole, N. Y.	Hill, Ala.	Palmisano	Warren
Colmer	Hill, Samuel B.	Parks	Weaver
Cooley	Hollister	Patman	Werner
Cooper, Tenn.	Holmes	Patton	West
Cox	Huddleston	Peterson, Ga.	Whelchel
Cravens	Jenkins, Ohio	Pettengill	Whittington
Crosby	Johnson, Okla.	Pittenger	Wigglesworth
Cross, Tex.	Johnson, Tex.	Plumley	Wilcox
Culkin	Jones	Powers	Wilson, La.
Cummings	Kahn	Quinn	Wilson, Pa.
Darden	Keller	Randolph	Wolverton
Deen	Kimball	Rankin	Woodruff
Dies	Kinzer	Ransley	Woodrum
Dingell	Kleberg	Reece	
Ditter	Knutson	Reed, Ill.	

NAYS—111

Adair	Crosser, Ohio	Gilchrist	Jacobsen
Amlie	Crowe	Gillette	Jenckes, Ind.
Ashbrook	Cullen	Granfield	Johnson, W. Va.
Ayers	Delaney	Gray, Ind.	Kee
Beiter	Dickstein	Greenway	Kelly
Biermann	Dunn, Pa.	Greever	Kenney
Boileau	Eagle	Griswold	Kloeb
Boylan	Eicher	Healey	Kniffin
Brewster	Ellenbogen	Higgins, Mass.	Kopplemann
Brunner	Ferguson	Hildebrandt	Kvale
Buckler, Minn.	Fernandez	Hill, Knute	Lemke
Burdick	Fitzpatrick	Hoeppel	Lesinski
Celler	Fletcher	Hook	Lewis, Colo.
Citron	Gassaway	Hull	Ludlow
Connery	Gehrmann	Imhoff	McFarlane

McGroarty	O'Brien	Sanders, Tex.	Sweeney
McKeough	O'Connell	Sauthoff	Taylor, Tenn.
Maloney	O'Day	Schneider	Thom
Marcantonio	O'Leary	Schulte	Truax
Martin, Colo.	O'Malley	Sears	Umstead
Mason	Parsons	Secrest	Wearin
Massingale	Patterson	Sirovich	Welch
Mead	Peterson, Fla.	Sisson	White
Meeks	Pierce	Smith, Wash.	Withrow
Monaghan	Polk	Smith, W. Va.	Wolfenden
Moran	Ramsay	Spence	Wood
Mott	Reilly	Stack	Zioncheck
Murdock	Robsion, Ky.	Stubbs	

NOT VOTING—137

Arends	DeRouen	Hope	Richardson
Bankhead	Dietrich	Houston	Robertson
Beam	Dirksen	Kennedy, Md.	Rudd
Bell	Disney	Kennedy, N. Y.	Russell
Berlin	Dondero	Kerr	Sabath
Binderup	Doutrich	Lambertson	Sadowski
Boehne	Driscoll	Lamneck	Schuetz
Boland	Duffy, N. Y.	Lee, Okla.	Scott
Brennan	Dunn, Miss.	Lehlbach	Seger
Brown, Mich.	Eckert	Lewis, Md.	Shannon
Buckley, N. Y.	Ekwall	Lord	Smith, Va.
Bulwinkle	Evans	Luckey	Snell
Burch	Fiesinger	Lundeen	Somers, N. Y.
Burnham	Fish	McAndrews	South
Cannon, Wis.	Ford, Calif.	McClellan	Starnes
Carden	Fuller	McLaughlin	Steagall
Carlson	Fulmer	McLeod	Stefan
Carmichael	Gambrill	Mahon	Stewart
Carpenter	Gavagan	Maverick	Sullivan
Cartwright	Gifford	Miller	Sumners, Tex.
Casey	Gildea	Montague	Taber
Chandler	Gingery	Moritz	Thomas
Christianson	Goldsborough	Nelson	Tonry
Clark, Idaho	Goodwin	Nichols	Treadway
Cochran	Gray, Pa.	Oliver	Underwood
Collins	Green	O'Neal	Utterback
Cooper, Ohio	Guyer	Pearson	Wallgren
Corning	Gwynne	Perkins	Walter
Costello	Hamlin	Peyser	Williams
Crawford	Hancock, N. C.	Pfeifer	Wolcott
Crowther	Hartley	Rabaut	Young
Daly	Hennings	Ramspeck	Zimmerman
Darrow	Higgins, Conn.	Rayburn	
Dear	Hobbs	Reed, N. Y.	
Dempsey	Hoffman	Rich	

So the bill was passed.

The Clerk announced the following additional pairs:

Additional general pairs:

Mr. Montague with Mr. Snell.
Mr. Rayburn with Mr. Treadway.
Mr. Fuller with Mr. Fish.
Mr. Fiesinger with Mr. Burnham.
Mr. Smith of Virginia with Mr. Wolcott.
Mr. Gavagan with Mr. Hartley.
Mr. McAndrews with Mr. Crowther.
Mr. Burch with Mr. Guyer.
Mr. Disney with Mr. Rich.
Mr. Cartwright with Mr. Hoffman.
Mr. Robertson with Mr. Hope.
Mr. Fulmer with Mr. Lundeen.
Mr. Kerr with Mr. Gray of Pennsylvania.
Mr. Brennan with Mr. Luckey.
Mr. Walgren with Mr. Dempsey.
Mr. Binderup with Mr. Rabaut.
Mr. Ford of California with Mr. Greever.
Mr. Sadowski with Mr. Storms.
Mr. Secrest with Mr. Driscoll.
Mr. Young with Mr. Hamlin.

The result of the vote was announced as above recorded.

The doors were opened.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1936

Mr. CANNON of Missouri. Mr. Speaker, I present for printing under the rule a conference report and statement on the bill (H. R. 3973) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1936, and for other purposes.

NATIONAL LABOR RELATIONS BOARD

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to recommit the bill (S. 1958), to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes, for the purpose of adding certain committee amendments to the bill.

The SPEAKER. Is there objection?

There was no objection.

CALENDAR WEDNESDAY

LONGEVITY PAY

Mr. McSWAIN. Mr. Speaker, I call up the bill (S. 2287), to authorize the crediting of service rendered by personnel (active or retired) subsequently to June 30, 1932, in the computation of their active or retired pay after June 30, 1935, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from South Carolina calls up the bill S. 2287 and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That notwithstanding the suspension during the fiscal years 1933, 1934, and 1935 of the longevity increases provided for in the tenth paragraph of section 1 of the Pay Adjustment Act of 1922, the personnel (active or retired) so affected shall be credited with service rendered subsequently to June 30, 1932, in computing their active or retired pay accruing subsequently to June 30, 1935: *Provided*, That this section shall not be construed as authorizing the payment of back longevity pay for the fiscal years 1933, 1934, and 1935 which would have been paid during such years but for the suspension aforesaid.

Mr. McSWAIN. Mr. Speaker, I yield to the gentleman from New Hampshire [Mr. ROGERS] for a very brief explanation.

Mr. ROGERS of New Hampshire. Mr. Speaker, this bill, S. 2287, was introduced on March 18 of this year by Senator TRAMMELL, of Florida, was reported back to the Senate by the Senate Naval Affairs Committee by Senator WALSH, and passed the Senate on April 15. It was then referred to the House Committee on Military Affairs on April 17 and favorably reported on May 24.

The bill authorizes the crediting of service rendered by personnel—active or retired—subsequent to June 30, 1932, in the computation of their active or retired pay after June 30, 1935.

A similar bill, H. R. 6512, was introduced on March 7 by the gentleman from Georgia [Mr. VINSON] and referred to the House Committee on Naval Affairs. It was favorably reported back to the House by that committee on April 29. An examination of the report which I have filed on this Senate bill will show that it is to correct an injustice; that it has the full approval of the Secretary of War, the President of the United States, the Secretary of the Navy, and the Director of the Budget. No back longevity pay for the fiscal years 1933, 1934, and 1935 is authorized. I trust there will be no objection thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAR MINERALS RELIEF STATUTE

Mr. COX, from the Committee on Rules, submitted the following privileged report (H. Res. 240, Rept. No. 1108) on the bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the "war minerals relief statute", for printing in the RECORD:

House Resolution 240

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 1432, "A bill to amend section 5 of the act of March 2, 1919, generally known as the 'war minerals relief statute.'" That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment, under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

COMPUTATION OF MARINE CORPS SERVICE OF ARMY OFFICERS

Mr. McSWAIN. Mr. Speaker, I call up the bill (S. 2029) to authorize naval and Marine Corps service of Army officers

to be included in computing dates of retirement, and I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That in computing service for the purpose of retirement of an officer of the Army, there shall be included, in addition to service now authorized by law to be included, all service in the Navy or Marine Corps which is authorized by law to be included for the purpose of retirement of an officer of the Navy or Marine Corps.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAR-TIME RANK TO RETIRED OFFICERS OF THE ARMY, NAVY, AND MARINE CORPS

Mr. McSWAIN. Mr. Speaker, I call up the bill (S. 927) to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act, and I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, is amended by striking out the words "except those retired under the provisions of section 24b of the act of June 4, 1920."

Mr. WADSWORTH. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, in reading this bill which would repeal a certain minor provision in the National Defense Act of 1920, one or two thoughts come to my mind, and I am somewhat in doubt as to whether the legislation is wise.

There is a provision in the National Defense Act of 1920 providing for the elimination of officers from the Regular Army who are found to be unfit to remain on the active list. It is contained in section 24 (b). I am not at all certain that the system has worked well, because human nature has come into the picture so often, and influence has been brought to bear so often that the authors of that particular section, I think it can be said, are somewhat disappointed in that it has not rid the commissioned personnel of the Regular Army of a sufficient number of unfit officers. But, in any event, in connection with legislation passed at about that time, which provided that officers of the Regular Army when they came to retire by reason of age or by reason of the 40-year provision or the 30-year provision, could be retired at the highest rank held by them during the World War, the authors of this 24 (b) section put in a provision that that should not apply to officers who, subsequent to the enactment of that retirement legislation, were removed or retired from the active list of the Army for having been inefficient officers. This bill is to take out that little provision and permit officers who have been removed from the active list of the Army on account of their inefficiency to be promoted upon the retired list to the highest rank held by them during the World War.

Now, it is a small matter, I admit, and I believe it involves no expenditure from the Treasury.

Mr. McSWAIN. Not a cent.

Mr. WADSWORTH. It is a question in which there appears to be a little matter of principle. We all know that when we went into the World War officer material was so scarce, especially at the beginning, and tactical commands were organized with such rapidity and reached such large dimensions that it was inevitable that practically every officer in the Regular Army of that day had to be promoted to a higher rank temporarily and for the duration of the war.

Practically every Regular Army officer received a higher rank and served in such capacity during the war itself. When the war was over they reverted to their normal rank in the regular service.

Not all of the men, by any means, who got that higher rank did well with it. Generally speaking, the Regular Army officers put up a splendid performance, but here and there there were men who were not able to carry those higher responsibilities that went with the higher rank, and many of them had to be relieved of command and sent back to S. O. S.

It will be found that before this section 24 (b) went into effect in 1920 they had reverted to their normal rank. Those were the very men who were found inefficient and who had to be removed from the active list of the Army. Now, it is a grave question in my mind whether they should at this time be rewarded by promotion on the retired list. The Congress back in 1920 thought they should not be.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. McFARLANE. Why would not this bill give them more money if it promotes them on the retired list?

Mr. WADSWORTH. My recollection is that retirement at the advanced rank does not carry with it the retired pay of the advanced rank.

Mr. McFARLANE. Is the gentleman sure about that?

Mr. WADSWORTH. Yes.

Mr. McSWAIN. The present law provides that they shall not be given any advanced retirement pay.

Mr. McFARLANE. Why pass the bill?

Mr. WADSWORTH. It is a decoration, the conferring of an honorary higher rank on the very group of officers who have been determined to be least fit.

Mr. KVALE. Mr. Speaker, I am not going to enter into any controversy with my distinguished colleague from New York. Although he is not a member of the Committee on Military Affairs, he is very familiar with military legislation by reason of his service in the Senate.

Mr. Speaker, while the gentleman's remarks may be well taken as to the class-B legislation, this particular bill affects only 26 officers who were mistakenly included in this group and who are laboring under this class-B stigma even though they did not receive their retirement as a result of misconduct or avoidable habits, or whatever reasons are ascribed for retirement under this section.

The report sets out exactly the 26 individuals who will be benefited by this legislation. Your committee has reported the bill out unanimously. The bill has twice been considered by the Senate and had passed that body.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. KVALE. I yield.

Mr. McFARLANE. Do they all live here in Washington? You know these social battles of Washington are very important.

Mr. KVALE. I do not have any data before me, but I believe only a very limited number live here.

As I say, Mr. Speaker, only 26 individual officers are involved in this matter, and your committee feels they have carried this stigma long enough through no fault on their part. We should now pass this bill and correct the situation.

Let me say also that this bill does not go to the merits of the class-B legislation and it will not harm section 24 (b) in its application.

Mr. Speaker, the War Department originally took an unfavorable view of this bill. Since their original stand they have seen fit to modify their position. In view of the fact it does not cost the Government any money whatever, and in view of the injustice done these 26 officers who are affected, we recommend that the bill be favorably considered. The committee authorized me to make the report, and on the part of the committee I make this plea for the passage of the bill.

Mr. McSWAIN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF NATIONAL DEFENSE ACT

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 6250) to amend the National Defense Act.

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill as follows:

A bill to amend the National Defense Act

Be it enacted, etc., That in order to provide the Army Air Corps with 1,514 officers in grades from colonel to second lieutenant, inclusive, as specified by section 13a of the National Defense Act, as amended by the act of July 2, 1926 (44 Stat. 780), there are hereby authorized, to be appointed and commissioned as second lieutenants in the Air Corps of the Regular Army, from among applicants hereinafter specified, such number as may be necessary to fill up the commissioned strength of the Air Corps by July 1, 1935, or as soon thereafter as possible, to the number above specified; and in order to provide the Regular Army with sufficient commissioned personnel to enable the commissioned strength of the Air Corps to be maintained at the number specified in said section 13a, National Defense Act, as amended, the commissioned strength of the active list of the Regular Army shall, on and after July 1, 1935, be maintained at an aggregate annual average of not less than 12,400 officers: *Provided*, That the appointees as second lieutenants in the Air Corps of the Regular Army above authorized shall be selected, under such regulations as the President may prescribe, from applicants who hold commissions as first or second lieutenants in the Air Corps Reserve and are graduates of the Army Air Corps Training Center.

SEC. 2. The President is hereby authorized to call to active service, with their consent, for a period of not more than 1 year for any one officer, not to exceed at any time 2,000 Reserve officers of the combatant arms and the Chemical Warfare Service, for active duty with the Regular Army: *Provided*, That members of the Officers' Reserve Corps so called to active service shall be distributed as nearly as may be practicable among the said combatant arms and the Chemical Warfare Service in proportion to the commissioned strength of such arms and service, and shall be apportioned in grades therein, so far as possible, as follows: Not to exceed 5 percent in the field grades, 20 percent in the grade of captain, 35 percent in the grade of first lieutenant, and 40 percent in the grade of second lieutenant: *Provided further*, That no Reserve officer shall be called to active service under the provisions of this section who is more than 45 years old at the time of such call: *And provided further*, That nothing herein containd shall affect the number of Reserve officers that may be called to active duty under existing laws, nor the conditions under and purposes for which they may be so called.

Mr. McSWAIN. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment to H. R. 6250 to be inserted after line 12, on page 3, and to constitute a new section to be designated as section 3, and to read as follows:

"SEC. 3. That for the period of 10 years beginning July 1, 1936, the Secretary of War is authorized to select annually from all such Reserve officers having received the training herein authorized as may apply for commissions in the Regular Army, 200 officers who shall be commissioned as second lieutenants in the Regular Army, and they shall be arranged on the promotion list in the order of time of their first commissions in the Officers' Reserve Corps, and any whose commissions in the Officers' Reserve Corps bear the same date, then the names of all such shall be arranged on the promotion list in the order of their respective ages, the older first."

The committee amendment was agreed to.

Mr. McSWAIN. Mr. Speaker, I offer a rather informal amendment from the floor.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 2, line 16, after the word "call", insert the word "annually."

The amendment was agreed to.

Mr. WADSWORTH. Mr. Speaker, I was caught napping. I thought the informal amendment just offered by the gentleman from South Carolina was a part of the committee amendment. I wanted to ask the chairman of the committee a question about the amendment just read by the Clerk.

Mr. McSWAIN. Mr. Speaker, I ask recognition for the purpose of permitting the inquiry of the gentleman from New York.

The SPEAKER. The gentleman from South Carolina is recognized.

Mr. WADSWORTH. Mr. Speaker, as I understand the committee amendment offered by the gentleman from South Carolina, the President is authorized to commission in the Regular Army young Reserve officers at the rate of 200 a year.

Mr. McSWAIN. For 10 years.

Mr. WADSWORTH. For the next 10 years?

Mr. McSWAIN. Yes.

Mr. WADSWORTH. We are about to pass legislation, I hope, which will increase the number of cadets in the Military Academy. My understanding is when that increase is accomplished the Military Academy will graduate annually about 340 second lieutenants into the Army. The amendment offered by the gentleman from South Carolina provides for another 200 annually from the Reserve, which makes a total of 540. I do not remember just now how many men are supposed to be commissioned from the enlisted personnel of the Regular Army or from the enlisted personnel of the National Guard, but the law provides that there shall be a certain number of commissions reserved for enlisted men in the Regular Army and in the National Guard if they are able to pass the examination. Can the gentleman tell us what the annual requirement of the Regular Army is in the matter of second lieutenants?

Mr. McSWAIN. Yes. The annual requirement for the last 10 years has only been around 300.

Mr. WADSWORTH. That is all we need annually?

Mr. McSWAIN. Yes. However, it is believed when we shall have passed the promotion bill which the Senate has passed and now pending before our committee and which we are going to take up for consideration at our next meeting, and hope to report to the House with certain amendments, that the inducements for retirement on the part of officers who are within the hump and who have flopped promotion will be such as to greatly increase the number of vacancies annually caused by voluntary retirements or otherwise. But for that situation there would have been no excuse for increasing the number of cadets in the Military Academy.

I am satisfied all of the representatives of the War Department who appeared before the committee when we were considering the matter of the increase in the matter of cadets at the Military Academy believe it is always desirable that the ratio of trained officers from the Military Academy compared to those received from civil life or from other sources anyway shall approximate the stable ratio of about 50-50. I think it is universally agreed that at the present time the number of graduates from the Military Academy is about 38 percent of the requirements, but the gentleman also knows it is the belief of many of us who have studied the matter that the minimum officer strength of the Army for peace times ought to be 14,000 rather than 12,000. Rather than make up the 2,000 in one leap, thereby creating another hump that will cause trouble in the future, it is proposed to take up the additional 2,000 at the rate of 200 a year and from the source here indicated and not from the Military Academy, from the Regular Army, and from the National Guard, the factors to which the gentleman called attention. Taking into consideration the vacancies caused by ordinary attrition, plus the accelerated attrition due to the promotion act, which I hope we will pass, at the end of 10 years there will be an existing ratio of approximately 50-50 from these two sources.

[Here the gavel fell.]

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McFARLANE. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from Texas.

Mr. McFARLANE. When is the gentleman going to bring in here some kind of an officers' selection board bill?

Mr. McSWAIN. Yes. So far as I know, the committee has no bill before it proposing to select officers. Personally I am opposed to that method of promotion. The bill before the House is one that has passed the Senate and calls for ordinary promotion from those on the single promotion list. I do not think there is a likelihood of any such bill coming out. I do not know, however. Sometimes my prognostications as to what would come out have been in error.

Mr. WADSWORTH. Will the gentleman yield?

Mr. McSWAIN. I yield to the gentleman from New York.

Mr. WADSWORTH. May I ask the gentleman if he believes that at the end of the 10-year period provided for in this amendment, the annual needs of the Regular Army will amount to as many as 540 second lieutenants?

Mr. McSWAIN. I am not prepared now to answer that question, I am sorry to say, as to what would be the degree of attrition at the end of 10 years. I doubt if there would be more than 550, because we would be taking in many of these young officers who would not be retiring on account of disability or age.

Mr. WADSWORTH. I do not intend to oppose the amendment. In fact, the amendment has already been adopted. But I venture to express the opinion that the President will never be able to appoint the 200, because there will not be sufficient vacancies.

Mr. McSWAIN. Mr. Speaker, may I acknowledge in this way the debt which the country owes the distinguished gentleman from New York, who was Chairman of the Committee on Military Affairs of the Senate when the National Defense Act of 1920 was enacted? Under the leadership of the gentleman from New York and Brig. Gen. John McAuley Palmer, they wrote a most constructive piece of legislation, for which the country will eternally be grateful.

Mr. ANDREWS of New York. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. ANDREWS of New York: On page 2, line 17, after the word "consent", insert the words "upon application to and selection by the War Department."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESERVE DIVISION OF THE WAR DEPARTMENT

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 6674) to create the Reserve Division of the War Department, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916, as amended, be, and the same is hereby, further amended by inserting after section 38 a new section as follows:

"SEC. 39. The Reserve Division of the War Department: There is hereby created the Reserve Division of the War Department. This division shall consist of one Chief of the Reserve Division with the rank of major general, appointed by the President from officers of the Organized Reserves, and six other officers to be assigned to duty in the Reserve Division by the Secretary of War: *Provided*, That at least three of the officers so assigned shall be members of the Officers' Reserve Corps.

"The duties to be performed by the Chief of the Reserve Division shall include general supervision under the Chief of Staff of the administration and development of the Officers' Reserve Corps. In the performance of these duties the existing bureaus, departments, and agencies of the War Department shall be utilized as far as practicable. In coordination with the General Staff, the Chief of the Reserve Division shall be consulted by the Chief of Staff and Secretary of War regarding, and kept informed and advised of, all existing and proposed policies, regulations, plans, and orders affecting the Officers' Reserve Corps and the individual members thereof, and he will make directly to the Chief of Staff recommendations pertaining thereto. He shall at all times maintain contact with the Officers' Reserve Corps, and through inspections in person or by representatives, shall keep the Chief of Staff and the Secretary of War informed of their state of efficiency and measures for their proper development.

"The Reserve officers on duty in the Reserve Division shall be called to active duty with their own consent for this purpose, and while so serving shall receive the active-duty pay and allowances of their grades as prescribed in the Pay Readjustment Act of June 10, 1922. Appropriations are hereby authorized to be made annually for the contingent and operating expenses of the Reserve Division.

"The Secretary of War is authorized to transfer or assign to the Reserve Division such office space and clerical personnel as in his judgment may be necessary."

With the following committee amendment:

On page 2, line 2, after the word "Reserves", insert "for a term of 4 years."

The committee amendment was agreed to.

Mr. WADSWORTH. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, in reading the committee report, we find the assertion that the new Chief of the Reserve Division of the War Deparament, who is to be appointed and hold the rank of major general, is to be selected from among the graduates of the General Staff and Command Schools; but I do not find that in the bill.

Mr. McSWAIN. We shall offer an amendment to that effect.

Mr. Speaker, I offer an amendment to the committee amendment which the report shows was agreed to in committee, after the word "Reserves" on page 2, line 2, of the amendment, insert "for a term of 4 years from among the officers who have graduated in the special course of the General Staff and Command School at Fort Leavenworth, Kans."

The Clerk read as follows:

Amendments to the committee amendment offered by Mr. McSWAIN: On page 2, line 2, after the word "Reserves", insert "for a term of 4 years from among the officers who have graduated in the special course of the General Staff and Command School at Fort Leavenworth, Kans."

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. WADSWORTH. Has the committee given any consideration to the qualifications of such officer with respect to the rank which he now holds? Will any officer of the Reserve Corps be eligible or merely officers holding the rank of lieutenant colonel or colonel?

Mr. McSWAIN. Yes; the committee considered that, but did not see fit to restrict it to colonels. It assumed that those who had graduated in the special course of the General Staff and Command School would have been selected certainly from field officers, because no one but field officers would go to this school.

Mr. WADSWORTH. Undoubtedly that is true.

Mr. McSWAIN. And undoubtedly the President would pick from among the Reserve officers who held the rank of colonel or lieutenant colonel some outstanding officer of ability, education, and leadership; and we did not feel we should restrict it to the rank of colonel, because it might be that at the time the matter was up the officers of that rank might not be so outstanding in ability as some with the rank of lieutenant colonel. We leave this to the President.

The amendment to the committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. That all laws and parts of laws inconsistent with this act are hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARMY AIR CORPS STATION AND FRONTIER AIR-DEFENSE BASES

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 7022) to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps, and frontier air-defense bases, generally.

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to determine in all strategic areas of the United States, including those of Alaska and our overseas possessions and holdings, the location of such additional permanent Air Corps stations and depots as he deems essential, in connection with the existing Air Corps stations and depots and the enlargement of the same when necessary, for the effective peace-time training of the general headquarters air force and the Air Corps components of our overseas garrisons. In determining the locations of new stations and depots, consideration shall be given to the following regions for the respective purposes indicated: (1) The Atlantic Northeast—to provide for training in cold weather and in fog; (2) the Atlantic Southeast and Caribbean areas—to permit training in long-range operations, especially those incident to reinforcing the Panama Canal; (3) the Southeastern States—to provide a depot essential to the maintenance of the general headquarters air force; (4) the Pacific Northwest—to establish and maintain air communication with Alaska; (5) Alaska—for training under conditions of extreme cold; (6) the Rocky Mountain area—to provide a depot essential to the maintenance of the general headquarters air force, and to afford, in addition, opportunity for training in operations from fields in high altitudes; and (7) such intermediate stations as will provide for transcontinental movements incident to the concentration of the general headquarters air force for maneuvers.

In the selection of sites for new permanent Air Corps stations and depots and in the determination of the existing stations and depots to be enlarged and/or altered, the Secretary of War shall give consideration to the following requirements:

First. The stations shall be suitably located to form the nucleus of the set-up for concentrations of general headquarters air force units in war and to permit, in peace, training and effective planning, by responsible personnel in each strategic area, for the utilization and expansion, in war, of commercial, municipal, and private flying installations.

Second. In each strategic area deemed necessary there shall be provided adequate storage facilities for munitions and other essentials to facilitate effective movements, concentrations, maintenance, and operations of the general headquarters air force in peace and in war.

Third. The stations and depots shall be located with a view to affording the maximum warning against surprise attack by enemy aircraft upon our own aviation and its essential installations, consistent with maintaining, in connection with existing or contemplated additional landing fields, the full power of the general headquarters air force for such close and distant operations over land and sea as may be required in the defense of the continental United States and in the defense and the reinforcement of our overseas possessions and holdings.

Fourth. The number of stations and depots shall be limited to those essential to the foregoing purposes.

SEC. 2. To accomplish the purposes of this act, the Secretary of War is authorized to accept, on behalf of the United States, free of encumbrances and without cost to the United States, the title in fee simple to such lands as he may deem necessary or desirable for new permanent Air Corps stations and depots and/or the extension of or addition to existing Air Corps stations or depots; or, with the written approval of the President, to exchange for such lands existing military reservations or portions thereof; or, if it be found impracticable to secure the necessary lands by either of these methods, to purchase the same by agreement or through condemnation proceedings.

SEC. 3. The Secretary of War is further authorized and directed to construct, install, and equip, or complete the construction, installation, and equipment, inclusive of bombproof protection as required, at each of said stations and depots, such buildings and utilities, technical buildings and utilities, landing fields and mats, and all utilities and appurtenances thereto, ammunition storage, fuel and oil storage and distribution systems therefor, roads, walks, aprons, docks, runways, sewer, water, power, station and aerodrome lighting, telephone and signal communication, and other essentials, including the necessary grading and removal or remodeling of existing structures and installations. He is authorized, also, to direct the necessary transportation of personnel, and purchase, renovation, and transportation of materials, as in his judgment may be required to carry out the purposes of this act.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums of money as may be necessary, to be expended under the direction of the Secretary of War for the purposes of this act, including the expenses incident to the necessary surveys, which appropriation shall continue available until expended: *Provided*, That the provisions of section 1136, Revised Statutes (U. S. C., title 10, par. 1339), shall not apply to the construction of the aforesaid stations and depots.

With the following committee amendment:

Page 5, line 3, after the word "act" insert: "The Secretary of War is further authorized to acquire by gift, purchase, lease, or otherwise, at such locations as may be desirable, such bombing and machine-gun ranges as may be required for the proper practice and training of tactical units."

The committee amendment was agreed to.

Mr. WADSWORTH. Mr. Speaker, I move to strike out the last word. May I direct the attention of the chairman to the language on page 2 of the bill, in order to ask a question. I am not at all in opposition to this measure. I notice that in reciting the different areas in which the air stations are to be erected, in each case a certain type of station or use is set forth. For example, "training under conditions of extreme cold"—"training in operations from fields in high altitudes", and so forth, as if Congress was laying down in advance what the station was to be used for and nothing else. I am wondering if that is the proper way to establish any military undertaking. I suspect somebody is afraid of something.

Mr. McSWAIN. I will answer the gentleman in my feeble way, and then yield to the gentleman from Florida who introduced the bill. The gentleman from Florida who introduced the bill did undertake to lay down certain geographical, and you might say, functional purposes for which these stations would be established. The War Department, through the head of the War Planning Division, in reporting orally on the original Wilcox bill, criticized it for the reason that it did undertake to do practically what the gentleman from New York calls attention to, and he proposed the very language of this bill.

I then introduced the bill in the language of the War Planning Division, and the committee considered the bill and proposed an amendment, which appears on page 5. The gentleman from Florida [Mr. WILCOX], having done so much work in this line and being familiar with it, I suggested the propriety of having him introduce the bill that has been drawn by the Chief of the War Planning Division.

Now, answering more specifically the suggestion of the gentleman from New York, certain purposes and advantages are undertaken to be stated, as, for instance, the cold weather and the warm weather, and so on; but they are not deemed to be exclusive, but only as an argument in favor of particular location; and it does not undertake to say definitely that that is all they shall be used for.

Mr. WADSWORTH. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. WADSWORTH. Is not the gentleman afraid of the Comptroller?

Mr. McSWAIN. I hope I am not getting into trouble. I now yield to the gentleman from Florida [Mr. WILCOX].

Mr. WILCOX. Mr. Speaker, the object of the bill is to accomplish two things—to locate bases within certain strategic areas for availability in war time and for the effective peace-time training of general headquarters air force and the Air Corps of our overseas garrisons. The language is not exclusive on the War Department in training at these respective bases.

It is expected that these bases will be equipped for training purposes. The specific character of the training mentioned for each of these bases certainly will not menace the character of general flying to be done there. Special instruction can be given under general training, and it is sought by the bill to train them to operate under extreme cold or under fog conditions or other climatic conditions that may exist.

Mr. WADSWORTH. The gentleman would concede that the Army would do that anyway, would he not?

Mr. WILCOX. I hope so.

The bill now under consideration proposes an authorization for the location and construction of certain bases for the use of the Army Air Corps and for the effective peace-time training of the general headquarters air force within designated strategic areas. The bill designates six areas within each of which a base shall be established for the purposes indicated for each area.

The strategic areas referred to are first, the Atlantic northeast to provide for training of the air forces in cold

weather and in fog; second, the Atlantic southeast and Caribbean areas, to permit training in long-range operations, especially those incident to reinforcement of the Panama Canal; third, the Southeastern States, to provide a depot essential to the maintenance of the general headquarters air force; the Pacific Northwest, to establish and maintain air communication with Alaska; fifth, Alaska, for training under conditions of extreme cold; and sixth, the Rocky Mountain area, to provide a depot essential to the maintenance of the general headquarters air force and to afford in addition opportunity for training in operations from fields in high altitudes.

Before proceeding to any discussion of the necessities which have prompted the introduction and favorable report of this measure, I think it advisable to make certain explanations and to discuss certain principles which have been followed in the preparation and report of this bill.

In the first place, the use of the term "general headquarters air force" has not been fully understood in some circles, and some who have examined the bill have been misled into believing that two or three of the proposed bases are to be designated as the headquarters for the air force. This, of course, is an erroneous impression. The "general headquarters air force" is the title of our air force and that term is used to describe the force rather than to describe the location of the air forces. The object of the bill is to provide bases for the use of the general headquarters air force in the various strategic areas which have been referred to.

I think it also well at the outset to call attention to the fact that these areas have been designated for strategic as well as climatic and other reasons. They have been selected also as affording locations for air fleet bases in areas where no such bases now exist.

I want also to call attention to the fact that no effort has been made in this measure to designate the specific location of any particular base. That responsibility is placed in the bill upon the Secretary of War, who is required to select the location of these bases, having in mind the general purposes of the bill. This was deliberately done to prevent political logrolling or the location of bases for any reason other than strategy and the best interests of the air force and its proper development and training. Probably the most unfortunate thing that could take place in connection with the location of air bases of the character here dealt with would be to undertake the designation of particular locations. This would open the measure up to political logrolling and might result in the location of such bases according to political influence as distinguished from strategic necessity.

In the preparation of this bill two objectives have been sought. First, to provide bases which in peace time will permit the training of Army aviators under every climatic condition which exists in the United States, and, second, to so locate bases along our frontiers as in case of an emergency will afford the greatest measure of defense against an attempted invasion of this country by an enemy air force.

In the accomplishment of the first of these objectives, I think we should not lose sight of the fact that our Army flyers must be able to fly under any and all climatic conditions. It is necessary that they be fully acquainted with the problems incident to flying in tropical and subtropical climates, as well as those which arise from flying under extreme cold and mountain conditions. If our aviators are trained to fly in good weather, they will be at a great disadvantage when called upon to fly in fog, snow, or other adverse conditions. If and when an emergency shall arise, the enemy will not select favorable conditions for the attempted invasion. Neither will he select a field of operations which is best known to our own flyers. It is of the greatest importance, therefore, that our flyers be trained to manipulate their planes in fog, snow, sunshine, and all other climatic conditions that exist in any section of the United States. Bases should also be located in such positions that the aviators, by rotation at proper intervals, can become thoroughly familiar with every portion of the country which they will be called upon to defend in case of war. They should certainly know their own country better than the enemy could possibly know it. In the preparation of this bill, therefore, we have had constantly in mind the location of bases in such positions that by rotating the air force from one section to another aviators will become thoroughly familiar not only with climatic conditions but with the geography of every nook and corner of the United States.

The second objective contemplated in the preparation of this bill is the location of bases in such positions as to afford a maximum of defense.

With the invention of the airplane a new and deadly force has been added to the engines of destruction available in warfare. Because of its great nobility, the wide range of its activities, the great speed with which it may launch attacks, and the demoralizing effect of such an attack upon the morale of the country attacked, as well as the destructive character of such an attack, it is essential that our country be so prepared as to prevent an enemy attack at its very inception. In order that this may be effectively accomplished, it is essential that we be in position to contact an enemy air force long before it reaches our own borders.

It is now well recognized that in the event of war an enemy undertaking an air attack upon the United States would pursue two methods: First, he would undertake to establish bases of operations in nearby territory from which his aircraft could be operated into the United States and back to his bases of operations; second, he would launch his air force from aircraft carriers in midocean. The only effective means of defense against such an invasion would be the establishment of air bases along our frontiers in such position that our own force could fly out and contact the enemy, break up his concentrations in nearby territory, and destroy aircraft carriers while they are still five hundred or a thousand miles from our shores. It is essential that our defensive air bases be located at the nearest point to the enemy, so that our planes may contact him at the earliest possible moment. If an enemy is approaching over the sea, our air forces should be able to fly out and meet him a thousand miles from shore. Our planes should be able to return to their bases, refuel, and reload and return to the fight as often and as promptly as possible. If the bases are not located along the frontiers but are stationed in the interior, the speed with which our own planes can contact the enemy and the rapidity with which our forces may strike is lessened by the distance that the bases are located in the interior. If the bases are a hundred miles in the interior, then it would mean that our planes must make a 200-mile farther flight than they would make if the bases were nearer or at the frontier. The difference of a hundred miles in the interior would make a 200-mile round-trip flight, which would mean the loss of at least 1 hour for each trip that our planes have to make in returning to their bases to refuel and reload; and the difference of an hour for each return to its bases could very easily mean the difference between victory and defeat. The invention of the airplane has somewhat changed some of the methods of warfare. We will not in any future war be able to defend a particular portion of our territory simply by the erection of breastworks around the territory to be defended. In the war of the future at least the first phase of the war will be fought in and from the air; and in order to successfully defend against an attack from the air it is necessary that our forces be placed greatly in advance of the territory sought to be defended in order that the enemy may be contacted and his air forces destroyed before he can deliver his blow.

I have heretofore referred to the comparatively small area of the United States which may be regarded as the nerve center of the country. I have referred to the fact that within the territory embraced within a line drawn from Boston to Washington to St. Louis to Chicago and back to Boston is only approximately 8 percent of our entire territory, and yet within that area is located approximately half of our entire population, 60 percent of our wealth, and almost three-fourths of our industry. It is easily conceivable that in any war of the future this nerve center of the

country will be the objective to which the enemy will direct his attack. If by a succession of swift blows he can paralyze this nerve center of the country, he could bring our Nation to its knees begging for peace within a comparatively short time.

We will not be able to adequately defend this nerve center, however, simply by the establishment of Army bases within that territory nor by massing our naval forces in the Atlantic to the east of this territory. The enemy would undoubtedly establish bases in nearby territory and would launch his air forces not only from those bases but also from aircraft carriers in mid ocean, and thus be in position to strike at this nerve center without exposing his main forces to the Army or Navy of our own country. In order that this section to which I have referred may be defended against such an attack it will be necessary that bases be established in the Northeast and in the Southeast greatly removed from the territory involved in order that our forces may prevent the approach of the enemy to the area specified.

Another important area in the eastern part of the United States is that portion of the South and Southeast in which is located our deposits of coal, iron, and oil. So far as this section of the country is concerned, I think it safe to assume that any enemy with which we might be at war would undertake to seize the coal and iron deposits of Alabama and the oil of the Southwest. To accomplish this he would undoubtedly send his surface ships into the Gulf of Mexico through the Straits of Florida and the Yucatan Channel and by this maneuver undertake to seize these important and highly necessary commodities. Another point which will require defense is the Panama Canal in order that we may keep commerce constantly moving from the Atlantic to the Pacific and in order that we may insure the free movement of our fleet from one ocean to the other. These two areas may likewise be defended by the establishment of a similar base in the extreme Southeast from which our air forces might operate in the same manner and to the same end that other bases would operate to defend the central section of the country.

Just off the coast of Florida and in the West Indies and the Caribbean area there are literally hundreds of islands, any one of which would make an excellent base of operations for air forces contemplating a raid upon the United States. In the event of war these ready-made bases of operations are right in our front door ready to be seized and occupied by the enemy as bases from which their air forces could be flown into the United States. They are within easy reach of Puerto Rico, the Virgin Islands, and the Panama Canal, and once seized the enemy would be in position not only to destroy the Canal but to operate into continental United States through the Southeast. The establishment of a strong air base in the farthest practical point in the extreme southeastern part of continental United States would put us in position to prevent the occupancy of any of these islands and to prevent the establishment of bases by an enemy air force in that territory. Such a base would, therefore, serve to protect the Panama Canal, Puerto Rico, the Virgin Islands, and the entire southeastern portion of the United States. It would command the entrances to the Gulf of Mexico, and thereby protect our coal, iron, and oil deposits of the Southeast and Southwest, and at the same time it would enable flyers in peace time to become thoroughly familiar with all of the island territory which might be available to an enemy in time of war.

A similar condition exists on the Pacific coast from southern California to Alaska. And while there is not such a great concentration of population and industry on the Pacific side of the United States, that section is equally vulnerable to an attack from the air.

In case of an attack from the West, I think we may safely assume that Alaska would be the prize which any enemy would seek, but we may also safely assume that the same effort to paralyze industry and destroy the morale of the people of the West would be made which I have indicated would be done in the East if the attack should be in that quarter. The Columbia River Power projects and other great dams and power plants would be sought out for destruction. Fires in the great Northwest woods and other similar destructive tactics could be pursued which would make that area uninhabitable and which would break the morale of the people of that section of the country. Alaska, of course, is a veritable storehouse of minerals and because of its great wealth in natural resources it would be a great prize for any enemy in case of war. The establishment of bases on the Pacific coast and in Alaska as provided for in this measure would prevent air raids or air attacks on the Pacific coast and in Alaska just as has been outlined for the Atlantic coast.

The principal purpose of the bill as already explained is to provide an adequate system of defense for our frontiers, but of necessity there must be certain supporting or reinforcing and supply bases in the interior which would reinforce the frontier bases and from which supplies may be moved up to the respective frontier stations. In addition to these supply bases it will also be essential that certain interior bases be provided to enable the air force to make transcontinental flights and movements from one coast to the other for maneuvers. The bill therefore provides for the establishment of such bases in the Rocky Mountain area and in the southeastern territory.

It is not the purpose of this measure either to supplant existing bases or to duplicate facilities already existing. The object of the bill is to provide bases in those sections where facilities do not now exist. For that reason no reference has been made in the bill to the areas in which bases have already been established. For example, there is no reference made to the middle Atlantic area, for the reason that we already have bases established at Langley Field, in Virginia; at Bolling Field, at Washington; and at other points along the middle Atlantic seaboard. No provision is made for additional supply bases for this area, because we already have at Wright Field, in Ohio, and other spots in this territory, existing bases which may serve for this purpose. It is not intended, of course, to limit any existing base to its present facilities nor to prevent enlargement or extension of such existing bases. But, as already stated, the purpose of the measure is to provide for those areas in which no adequate facilities now exist.

I want to again stress the point which was mentioned in the beginning, and that is that this measure is a nonpolitical, nonsectional measure, designed to provide the United States with an adequate system of frontier defense bases, without regard to politics, political influence, or other considerations except the necessities of our country. It has been deliberately designed to prevent logrolling and is in no sense a pork-barrel measure. The Secretary of War is charged with the duty and responsibility of selecting sites for the location of these bases and to select those sites which are best adapted to the purposes contemplated in the measure. Every community within the respective areas specified will have an even break. There has been no attempt to prejudge the location of any of the bases, and the Secretary of War is given a free hand to select the sites according to the best strategy required for the adequate defense of the Nation.

The establishment of permanent Army air bases is a purely defensive measure. Great strides have been made in the perfection of aircraft in recent years, but it has not yet reached the point where it can sustain itself in the air for any great period of time. Airplanes must return to their bases at frequent intervals. For this reason, airplanes operating from permanent land bases within the United States are in a different category from planes operating from aircraft carriers which are capable of moving for great distances out to sea and from which attacks might be launched upon other countries. Air forces stationed at land bases within the United States are strictly limited to defensive operations. They may fly out a thousand miles from shore to contact the enemy and destroy his aircraft, but they cannot be used for extremely long-range operations for the reason that they must return frequently to their bases for refueling. This

measure, therefore, is one strictly of national defense. But since bases from which aircraft may operate constitute an absolute essential to the successful operation of air forces, they are just as essential as the airplanes themselves. Planes are of no value unless adequate bases from which they may operate are provided. The establishment of these bases, therefore, is a matter of the most vital and extreme importance to the safety, welfare, and well-being of our country.

Our country is at peace with the world. We have no quarrel with any nation on the face of the earth. We want none of their territory, and we covet none of their gold. We are content to pursue the even tenor of our own way and permit every other nation on earth to do the same thing. No nation under the sun has any cause to fear the United States; but, for my part, I want to see this Nation in such a position that, regardless of what may happen in world affairs or in world politics, we shall have no cause to fear any other nation. I am not concerned with means for conducting offensive warfare, but I do want to see established along the frontiers of continental United States a system of air bases so located, so equipped, and so manned with trained personnel that no other nation may be able to conduct an offensive warfare against us.

We have always pursued a policy of unpreparedness, secure in the thought that since we are at peace with the world and since we have no quarrel with any other nation, we are safe from the disasters which result from war. The fallacy of this position, however, was demonstrated in the World War. The development of commerce and our own participation in world affairs has somewhat destroyed our isolation which we previously enjoyed and the development of the airplane and the other means of rapid transportation and communication now makes it necessary that we prepare ourselves in times of peace, not for the conduct of war but for the prevention of war by being in such position as to adequately defend our own territory.

I am convinced that had we been adequately prepared in 1917 we would never have been drawn into the World War. I am equally convinced that if in the future we are so equipped as to hold our own in case of war we shall never be drawn into another war. Reasonable preparation is therefore the greatest insurance policy against war. And since the airplane has added this new, swift, and deadly means of destruction, I believe that no adequate system of defense can be complete without taking this machine into account. This measure will provide the bases from which these machines may operate in defense of our country. It is vital to the future welfare, safety, and security of our country and its institutions and I therefore respectfully urge its passage.

Mr. McSWAIN. Mr. Speaker, I ask for a vote.

Mr. ROGERS of New Hampshire. Mr. Speaker, I move to strike out the last word to say in answer to a suggestion made, that the whole explanation is furnished in lines 2 and 3, on page 2. It simply provides that consideration shall be given to these matters. Nothing definite is fixed.

Mr. McSWAIN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read a third time and passed, and a motion to reconsider laid on the table.

APPOMATTOX COURT HOUSE NATIONAL HISTORICAL PARK

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 4507) to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War Between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Park, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from South Carolina calls up the bill H. R. 4507, and asks unanimous consent to consider it in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, are hereby amended to read as follows:

"That when title to all the land, structures, and other property within a distance of 5 miles from the Appomattox Court House site, Virginia, as shall be designated by the Secretary of the Interior in the exercise of his discretion as necessary or desirable for national-park purposes, shall have been vested in the United States in fee simple, such area or areas shall be, and they are hereby, established, dedicated, and set apart as a public park for the benefit and enjoyment of the people and shall be known as the 'Appomattox Court House National Park'.

"SEC. 2. That there is hereby authorized to be appropriated the sum of $100,000, or so much thereof as may be necessary, to carry out the provisions of section 1 of this act as amended hereby.

"SEC. 3. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land and/or buildings, structures, etc., within the boundaries of said park as determined and fixed hereunder and donations of funds for the purchase and/or maintenance thereof: *Provided*, That he may acquire on behalf of the United States, by purchase when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said park as may be necessary for the completion thereof."

SEC. 4. The administration, protection, and development of the aforesaid national historical park shall be exercised under the direction of the Secretary of the Interior by the Office of National Parks, Buildings, and Reservations, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

Mr. DREWRY. Mr. Speaker, this bill is an amendment to a bill passed in 1930 to provide that the memorial established at Appomattox should be a memorial park instead of a memorial monument.

Mr. McFARLANE. Does it cost the Government anything?

Mr. DREWRY. No. The authorization has already been made in the act of 1930. I have an amendment I shall offer to section 4 providing that the administration shall be under the direction of the National Park Service. Section 4 provides that the administration shall be under the direction of the Office of National Parks, Buildings, and Reservations. No such bureau exists at the present time, and my amendment is to change that. I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DREWRY: Page 3, strike out lines 1 to 7, inclusive, and insert in lieu thereof the following:

"SEC. 2. Such act of June 18, 1930, is amended by adding at the end thereof a new section to read as follows:

"'SEC. 4. The administration, protection, and development of the Appomattox Court House National Historical Park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1906, entitled "An act to establish a National Park Service, and for other purposes", as amended.'"

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GENERAL JOHN J. PERSHING NATIONAL MILITARY PARK

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 3272) providing for the establishment of the Gen. John J. Pershing National Military Park near Laclede, in Linn County, Mo., and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from South Carolina calls up the bill H. R. 3272, and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That in order to memorialize the heroism, outstanding military accomplishments, and distinguished public services of Gen. John J. Pershing, commander of the American military forces in the World War, the Secretary of War is hereby authorized and directed to locate and establish a national military park near Laclede, Linn County, Mo., the birthplace of General

Pershing, to be known as the "General John J. Pershing National Military Park" whenever title to same shall have been acquired by the United States.

With the following committee amendment:

Page 1, line 7, strike out the words "and directed."

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. In order to establish said General John J. Pershing National Military Park the Secretary of War is hereby authorized to acquire by purchase, condemnation, or otherwise, at a cost not to exceed $250,000, which sum is hereby authorized to be appropriated for the acquisition, landscaping, and beautification of said park, such land near Laclede, Linn County, Mo., the birthplace of General Pershing, as shall be suitable for the memorial objects of this act, the Secretary of War being hereby vested with authority to determine the area and exact location of said park, and the amount that shall be expended for the acquisition and landscaping of said park, in no event to exceed the sum herein authorized to be appropriated.

With the following committee amendment:

Page 2, line 5, strike out the words "and directed."

The amendment was agreed to.

Mr. McFARLANE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. McFARLANE: Page 2, line 6, after the word "exceed", strike out "$250,000" and insert "$25,000."

Mr. ROMJUE. Mr. Speaker, will the gentleman withhold his amendment for a moment until I can make a statement?

Mr. McFARLANE. Mr. Speaker, I withhold my amendment pending a statement by the gentleman from Missouri.

The SPEAKER. The gentleman from Texas withdraws his amendment temporarily.

Mr. ROMJUE. Mr. Speaker, I move to strike out the last word.

I wish to make a statement of the facts in connection with this matter.

At the time the bill was introduced the State of Missouri had taken no action in regard to the matter, and had made no appropriation and the bill was introduced in its present form. At the time the committee made a favorable report of this bill the State of Missouri had not had an opportunity to make any contribution and, of course, the bill was drawn at that time on the theory that whatever appropriation was authorized should be in accordance with what the bill states. Since that time the Legislature of the State of Missouri has been in session and has appropriated out of the funds of the State of Missouri sufficient money to buy the land for the needs of the park, so there will be no charge on the Federal Government whatever for the purchase of the park site.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. ROMJUE. In just a moment I will yield, after I have more nearly completed a statement. This bill is intended for the purpose of maintaining the park improving the site and authorize utilizing the premises within the scope of the provisions of the bill after it is acquired. I would be perfectly willing to have the amount reduced from that contained in the original bill, in regard to the expenditure to some reasonable amount but not to the point proposed by the gentleman from Texas. Aside from that, the provision in the bill does not direct the expenditure of a single dollar. It only authorizes the War Department to make a survey and then expend such amount of money as it thinks advisable. As I said a moment ago, since the State of Missouri has appropriated a sum sufficient to purchase all the land, it will only be limited to maintaining the park after the State of Missouri has paid for it, and doing such work as is necessary in cleaning it up and preparing it, doing those things along the line of public-works programs throughout the country and in keeping with the language of the bill.

Mr. McFARLANE. Will the gentleman yield now?

Mr. ROMJUE. I yield.

Mr. McFARLANE. How much money does the gentleman estimate it will be necessary to appropriate at this time to take care of expenses such as the gentleman has mentioned?

Mr. ROMJUE. Of course, it would run over a period of some years.

Mr. McFARLANE. But we take care of all other appropriations each year.

Mr. ROMJUE. I have no objection to reducing this amount somewhat.

Mr. McFARLANE. Reducing it to $5,000?

Mr. ROMJUE. Oh, no. That would not be sufficient.

Mr. McFARLANE. How much would be sufficient?

Mr. ROMJUE. By the time the park is fenced and it is cleared up and some monuments erected, I think there ought to be about $100,000. The department does not need to use all that. Of course, I am not experienced in the park business, and the bill does not call for a positive expenditure of a specific amount.

Mr. McFARLANE. How large a park is it?

Mr. ROMJUE. The size has not been set yet. Possibly it may be 1,000 acres or 1,200 acres. That is left to the discretion of the department in selecting it. However, the land contained in the park will be paid for out of the funds furnished by the State. I hope the balance of the States will be willing to come in and contribute to the upkeep and beautifying of it after Missouri has paid for it.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. ROMJUE. I yield.

Mr. ANDREWS of New York. I am wondering if the gentleman would be willing to have the Federal Government appropriate the same amount of money as was appropriated by the State of Missouri?

Mr. ROMJUE. I think it ought to be more than that, to be frank with the gentleman. Of course, if it was not sufficient we might have to come back again for park contribution purposes like other similar parks.

Mr. ANDREWS of New York. As I understand, the State of Missouri appropriated $40,000?

Mr. ROMJUE. Yes. The State of Missouri appropriated $40,000. That will buy all the land. Now, there will have to be some monument erecting, and the land will have to be cleared. The main question that was considered heretofore was acquiring the park. Missouri has stepped in and arranged to do that. Certainly I think the other States would be glad to contribute their portion to the upkeep of it after we have acquired it.

Mr. KENNEY. Will the gentleman yield?

Mr. ROMJUE. I yield.

Mr. KENNEY. In some parts of the country many fraternal and benevolent organizations have gone into public parks like this and erected monuments for the purpose for which the park was erected. I notice that in the gentleman's bill that privilege is not accorded. I wonder if the gentleman would have any objection to putting that in? Of course, any such condition would have to be approved by the Secretary of War, under the provisions of the bill.

Mr. ROMJUE. I have no objection to that.

The SPEAKER. The time of the gentleman from Missouri [Mr. ROMJUE] has expired.

Mr. McFARLANE. Mr. Speaker, I have an amendment at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. McFARLANE: Page 2, line 6, strike out "$250,000" and insert "$25,000."

Mr. McFARLANE. Mr. Speaker, we have too many ciphers in this bill. My amendment strikes out the last cipher and reduces this appropriation from $250,000 to $25,000.

Since the State of Missouri has purchased the park site and has gone to the expense of purchasing a memorial park since this bill was reported out of committee, I see no reason why we ought to tempt the gentlemen down in the War Department to spend $250,000. I think $25,000 would certainly be ample to take care of the situation. The only expense that they will necessarily incur will be the fencing of the park and some expenses incidental thereto.

The maintenance of the park in the future, of course, will be under the National Park Service and will be taken care of

through regular appropriations. I see no reason, therefore, why we should authorize the appropriation of such a large sum of money for this purpose since all of the park property has been purchased by the State of Missouri.

Mr. Speaker, I think my amendment should be adopted.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. COLDEN. This acreage now comprises farm lands, does it not, and requires the removal of fences, buildings, and a good deal of work generally in order to fit it for park purposes.

Mr. McFARLANE. Yes.

Mr. ROMJUE. Would not $25,000 be a rather small amount to put 1,200 acres in shape to be used as a park?

Mr. McFARLANE. I think that amount of money would be ample. No doubt the removal of fences and cleaning up of property will be done by C. C. C. boys and the only necessary outlay will be the actual purchase of whatever material is necessary for the construction of fences upon the park site.

Mr. COLDEN. Does this plan contemplate a monument to General Pershing?

Mr. McFARLANE. The Government already furnishes monuments for its soldiers, and I see no reason why the General ought to have one different from the boys in the ranks to whom he did not want to pay their adjusted-service certificates. We already furnish headstones to soldiers, and I say that his should be the same size as the rest. He is drawing retired pay now of over $20,000 a year. He was one of the officers of the National Economy League and helped them fight their battles against the soldiers in the ranks. It is very pertinent to inquire why they do not oppose such needless expenditure. These Treasury-raiding robbers such as the National Economy League do not oppose the $4,000,000,000 bills, tax refund, and similar bills for the benefit of the rich, but always come around and fight the bills for the benefit of the rank and file of the soldiers. I think they ought to provide for this memorial. I do not think they ought to allow the Government to contribute any such amount. If they want a monument they ought to build it themselves. It seems to me that $25,000 is enough for the Federal Government to spend on this project, and I hope my amendment will be adopted.

Mr. ROMJUE. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I want to call the attention of the House to the fact that because a certain sum may be authorized is no indication that it will all be expended; it may be so far as needed to meet the objects intended to be accomplished.

I have no objection to a reasonable reduction of the authorization, and in view of the fact Missouri is putting up forty thousand of the fund, realize not so much as in the original bill will be required.

Answering the gentleman from Texas, may I say that the American Legion posts throughout the country have endorsed this bill. The bill has been endorsed by nearly every State in the Union many times by State legislatures. In fact, the legislature of the gentleman's own State, Texas, has endorsed this project. The American Legion of his own State has endorsed the project.

The American Legion of nearly every State of the Union has recommended and endorsed this memorial park; and $25,000 means nothing under the circumstances of the case, because the State of Missouri is already purchasing the site. Twenty-five thousand dollars would be about $500 per State, and I certainly think each of the other 47 States of the Union would be willing to contribute $500 at least for this park. As I said a moment ago, not only has the American Legion endorsed this, but the American Legion is acting along the line one gentleman suggested a moment ago. Fraternal organizations are making contributions for the erection of monuments.

Mr. Speaker, I hope the gentleman's amendment will be voted down.

The gentleman's amendment proposes to reduce the Government contribution to $25,000; that would be inadequate under the circumstances, considering the achievements of General Pershing and the many valiant soldiers who followed him in the great World War.

I am sure many Members of this House and the public in general will be glad to have their own State aid in a reasonable contribution in assisting in this worthy proposal.

Mr. ANDREWS of New York. Mr. Speaker, I offer a substitute for the amendment offered by the gentleman from Texas [Mr. McFARLANE].

The Clerk read as follows:

Substitute amendment offered by Mr. ANDREWS of New York: Strike out "$25,000" and insert in lieu thereof "$40,000."

Mr. McFARLANE. Mr. Speaker, I shall be glad to accept the substitute amendment. It will authorize the same amount the State of Missouri has appropriated.

The SPEAKER. The question is on the substitute amendment.

The substitute amendment was agreed to.

The SPEAKER. The question recurs on the amendment as amended by the substitute.

The amendment as amended by the substitute was agreed to.

The Clerk concluded the reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF N. R. A.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the joint resolution (S. J. Res. 113) be given a privileged status, to be called up at any time, and that general debate be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the gentleman from Massachusetts [Mr. TREADWAY] and myself.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the joint resolution (S. J. Res. 113) be given a privileged status, to be called up at any time, and that general debate be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from Massachusetts [Mr. TREADWAY].

Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, it seems to me that perhaps 1 hour is a little short time for debate. I would like to have it understood, as the gentleman from Massachusetts [Mr. TREADWAY], the ranking member of the Committee on Ways and Means, does not happen to be on the floor at this time, that should we need a little more time the gentleman from North Carolina would grant that request.

Mr. DOUGHTON. I am sure that we can arrange that all right.

Mr. SNELL. And I think the gentleman should give us a little notice of the day it is going to be called up. I do not want to object to giving the joint resolution a privileged status.

Mr. TARVER. Mr. Speaker, may we have the resolution reported? It has not yet been reported and we do not know what the subject matter of the resolution is.

The SPEAKER. The matter before the House is simply a request to give the resolution a privileged status.

Mr. TARVER. What is the resolution?

The SPEAKER. It is the resolution extending the N. I. R. A.

The Clerk will report the title of the joint resolution.

The Clerk read as follows:

S. 113

Joint resolution to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes.

Mr. SNELL. As I understand the situation, the chairman of the committee expects to call this up on Friday?

Mr. DOUGHTON. It is our hope and expectation to call it up for consideration on Friday. We will know more definitely tomorrow.

Mr. TARVER. Mr. Speaker, reserving the right to object, the committee, as I understand it, has not yet reported the resolution?

Mr. DOUGHTON. It has not.

Mr. TARVER. I have noticed in the press two statements which are to some extent in conflict as to what course is to be followed by the committee. One statement would indicate that the committee intends to report the resolution without amendment, in which event the question before the House would be whether or not the N. R. A. shall be extended for 10 months approximately, including an authorization for the extension of the codes with the understanding that the administrative authorities, in view of the Supreme Court decision, will not undertake to enforce the codes. Another viewpoint expressed in the press is that the resolution will be amended so as to eliminate any suggestion of the continuation of the codes. May I ask the Chairman of the Ways and Means Committee if he is in position to give us information as to whether or not the committee intends to amend the resolution to comply strictly with the Supreme Court decision?

Mr. DOUGHTON. In response to the inquiry of the gentleman from Georgia [Mr. TARVER] may I say that I cannot give definite information, but it is my impression, speaking for myself alone and as chairman of the committee, that the Senate joint resolution will be amended before being reported to the House so as to conform to the Supreme Court decision.

Mr. TARVER. Speaking for myself, I would not feel inclined to vote for a resolution which is in conflict with the Supreme Court decision upon the assumption that the administrative authorities by inaction would leave inoperative those portions of the act which may be in conflict with that decision.

Mr. DOUGHTON. The gentleman is familiar with the rules of the House. This request does not bind anyone as to his vote. I am simply asking unanimous consent that this matter may have a privileged status.

Mr. TARVER. The gentleman is requesting only 1 hour's general debate and if any such question as I have just referred to were to be presented, certainly more than an hour should be set aside for the purpose of discussion.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, and I do not intend to object, may I ask the gentleman whether it is the purpose of the committee to amend the Senate resolution or report an entirely new resolution?

Mr. DOUGHTON. The purpose, so far as the Chairman knows at this time, is to bring in an amended Senate resolution, but the committee has not yet reached a final decision with reference to the matter. So far as I am advised at this time, it will be our purpose to amend the Senate joint resolution and bring it in for consideration.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SHORT. Mr. Speaker, reserving the right to object, may I ask the chairman of the committee if it is possible to extend a dead carcass?

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HULL. Mr. Speaker, reserving the right to object, may I ask the gentleman a question. Why, after we have been here 2 weeks doing very little of anything, is it so necessary now to have this brought out and passed with only 1 hour's debate? Why can we not have a voice in these matters instead of having these bills held up until the last minute and then, with practically nothing to do on the floor of the House day after day, we have to come in and are required to vote with the majority?

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SHORT. Mr. Speaker, I object.

CAPT. ALEXANDER C. DOYLE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 240) for the relief of Capt. Alexander C. Doyle, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Lines 10 and 11, strike out "decision, and to certify same to Congress for an appropriation" and insert "decision. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,655, or so much thereof as may be necessary, to pay said claim."

The Senate amendment was concurred in.

ADDITIONAL CADETS AT UNITED STATES MILITARY ACADEMY

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Chair appointed the following conferees: Mr. McSWAIN, Mr. HILL of Alabama, and Mr. RANSLEY.

RIGHT-OF-WAY TO PHILLIPS PIPE LINE CO.

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 7902) to provide a right-of-way, and ask unanimous consent that this bill may be considered in the House as in the Committee of the Whole. I may say that this merely provides for a modification of a previous right-of-way act of Congress.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, under such terms and conditions as are deemed advisable by him, to grant to Phillips Pipe Line Co., its successors and/or assigns, an easement for a right-of-way for a gasoline pipe line over, across, in, and upon Jefferson Barracks Military Reservation, Mo.: *Provided*, That such right-of-way shall be granted only upon a finding by the Secretary of War that the same will be in the public interest and will not substantially injure the interest of the United States in the property affected thereby: *Provided further*, That all or any part of such right-of-way may be annulled and forfeited by the Secretary of War if the property is needed for governmental purposes, for failure to comply with the terms or conditions of any grant hereunder, or for nonuse or for abandonment of rights granted under the authority hereof.

Mr. McSWAIN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 2, line 4, after the word "purposes" and before the word "for", strike out the comma and insert in lieu thereof the word "or."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LAND IN LOS ANGELES COUNTY, CALIF.

Mr. McSWAIN. Mr. Speaker, I call up the bill (H. R. 6437) to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California."

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That Private Act No. 5, Seventy-third Congress, approved March 24, 1933, is amended to read as follows:

That the Secretary of War be, and he is hereby, authorized and directed to convey to the county of Los Angeles, State of California, without cost, the hereinafter-described land, to be used for public park, playground, and recreation purposes only, on condition that should the land not be used for such purposes it shall revert to the United States:

"All those certain lots, pieces, or parcels of land, together with all buildings thereon, situate, lying, and being in the city of

Arcadia, county of Los Angeles, and State of California, and particularly described as follows, to wit: Lot 4 of tract no. 949 as delineated upon the map of said tract recorded in book 17 of maps, at page 13, records of Los Angeles County, and lots 3, 4, 5, and 6 of tract no. 2409 as delineated upon the map of said tract, recorded in book 23 of maps, at page 23, records of Los Angeles County. The land intended to be conveyed by this deed is bounded on the north by Falling Leaf Avenue, on the east of Santa Anita Avenue, on the south by Huntington Drive and by land now owned by Clara Baldwin Stocker, and on the west by the rights-of-way of Pacific Electric Railroad Co. and Southern Pacific Railroad Co., and being all of the land claimed or owned by the grantor within the exterior bounds of Arcadia balloon field."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUSSIAN RAILWAY SERVICE CORPS

Mr. McSWAIN. Mr. Speaker, I call up the bill (S. 1095) for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany.

The Clerk read the title of the bill.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

Mr. COLLINS. Mr. Speaker, I object.

The SPEAKER. This bill is on the Union Calendar and the House automatically resolves itself into the Committee of the Whole House on the state of the Union for the consideration of the bill.

Mr. COLLINS. Mr. Speaker, I make the point of no quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, will the gentleman from California withhold that a moment in order that the gentleman from Texas may submit a unanimous-consent request?

Mr. COLLINS. Yes; I withhold it, Mr. Speaker.

4-H CLUBS

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 288) authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes, which I send to the Clerk's desk.

The Clerk read the joint resolution, as follows:

House Joint Resolution 288

Resolved, etc., That nothing contained in the act of February 2, 1935 (Public Resolution No. 2, 74th Cong.), shall be construed to prohibit the Secretary of Agriculture from paying the necessary expenses or assemblages of the 4-H boys' and girls' clubs, and other committees, assemblages, or gatherings called by the Secretary of Agriculture in the District of Columbia or elsewhere, in the furtherance of the cooperative, technical, and scientific work of the Department.

With the following committee amendment:

Page 1, line 7, strike out the words "and other committees, assemblages, or gatherings"; on page 1, line 10, strike out, after the word "cooperative", the words "technical and scientific" and insert the word "extension."

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to have some explanation of this bill to see just exactly what it does.

Mr. JONES. Mr. Speaker, on February 2, 1935, the House passed a resolution which forbade any of the departments paying any of the expenses of any of the groups which came to Washington. For 15 years the 4-H boys' and girls' club, through competitive methods and through prizes, have been sending representatives from each State on a few days' camping trip in Washington. They camp on the Department of Agriculture grounds. The Army furnishes the tents and the Department of Agriculture has been accustomed to paying for the lights and for the water and, perhaps, some cleaning up of the grounds. The expenses of the boys and girls to Washington are paid through prizes and contributions by chambers of commerce and through railway rates, and so forth. There is no expense to the Government except these incidental expenses while these representatives are in Washington.

Mr. SNELL. This bill does not provide for anything else or for anybody else except the members of the 4-H clubs?

Mr. JONES. That is correct. The committee has cut out everything except the 4-H boys' and girls' clubs.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—COMMISSION OF FINE ARTS

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the Library:

To the Congress of the United States:

I transmit herewith for the information of the Congress the report of the Commission of Fine Arts of their activities during the period July 1, 1929, to December 31, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 5, 1935.*

AMENDING THE MIGRATORY BIRD HUNTING STAMP ACT OF MARCH 16, 1934

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7982) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wild life, administered by the Department of Agriculture, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc.,

TITLE I—MIGRATORY BIRD HUNTING STAMP

SECTION 1. That section 1 of the act entitled "An act to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes", approved March 16, 1934 (48 Stat. 451), is amended so as to read as follows:

"That no person over 16 years of age shall take any migratory waterfowl unless at the time of such taking he carries on his person an unexpired Federal migratory bird hunting stamp validated by his signature written by himself in ink across the face of the stamp prior to his taking such birds; except that no such stamp shall be required for the taking of migratory waterfowl by Federal or State institutions or official agencies, or for propagation, or by the resident owner, tenant, or share-cropper of the property or officially designated agencies of the Department of Agriculture for the killing, under such restrictions as the Secretary of Agriculture may by regulation prescribe, of such waterfowl when found injuring crops or other property. Any person to whom a stamp has been sold under this act shall upon request exhibit such stamp for inspection to any officer or employee of the Department of Agriculture authorized to enforce the provisions of this act or to any officer of any State or any political subdivision thereof authorized to enforce game laws."

SEC. 2. That section 2 of said act is amended so as to read as follows:

"SEC. 2. That the stamps required by this act shall be issued and sold by the Post Office Department under regulations prescribed by the Postmaster General: *Provided*, That the stamps shall be sold at all post offices of the first and second class and at such others as the Postmaster General shall direct. For each stamp sold under the provisions of this act there shall be collected by the Post Office Department the sum of $1. No such stamp shall be valid under any circumstances to authorize the taking of migratory waterfowl except in compliance with Federal and State laws and regulations, and then only when the person so taking such waterfowl shall himself have written his signature in ink across the face of the stamp prior to such taking. Each such stamp shall expire and be void after the 30th day of June next succeeding its issuance, and all such stamps remaining unsold by the Post Office Department at the expiration of said June 30 shall be destroyed by said Department. No stamp sold under this act shall be redeemable by said Department in cash or in kind."

SEC. 3. That section 4 of said act is amended by striking out the word "postmaster" in the second line of said section and substituting in lieu thereof the words "Post Office Department", and by striking out subdivision (b) of said section and substituting in lieu thereof the following:

"(b) The remainder shall be available for expenses in executing this act, the Migratory Bird Conservation Act, the Migratory Bird Treaty Act, and any other acts to carry into effect any treaty for

the protection of migratory birds, including personal services in the District of Columbia and elsewhere, and also including advance allotments to be made by the Secretary of Agriculture to the Post Office Department at such times and in such amounts as may be mutually agreed upon by the Secretary of Agriculture and the Postmaster General for direct expenditure by the Post Office Department for engraving, printing, issuing, selling, and accounting for migratory bird hunting stamps and moneys received from the sale thereof, personal services in the District of Columbia and elsewhere, and for such other expenses as may be necessary in executing the duties and functions required of the Postal Service by this act: *Provided*, That the protection of said inviolate migratory-bird sanctuaries shall be, so far as possible, under section 17 of the Migratory Bird Conservation Act of February 18, 1929."

SEC. 4. That subdivision (c) of said section 4 of said act is hereby repealed.

SEC. 5. That section 5 of said act is amended so as to read as follows:

"SEC. 5. (a) That no person to whom has been sold a migratory-bird hunting stamp, validated as provided in section 1 of this act, shall loan or transfer such stamp to any person during the period of its validity; nor shall any person other than the person validating such stamp use it for any purpose during such period.

"(b) That no person shall alter, mutilate, imitate, or counterfeit any stamp authorized by this act, or imitate or counterfeit any die, plate, or engraving therefor, or make, print, or knowingly use, sell, or have in his possession any such counterfeit, die, plate, or engraving."

TITLE II—INTERSTATE COMMERCE IN GAME AND OTHER WILDLIFE KILLED OR SHIPPED IN VIOLATION OF LAW

SECTION 201. That sections 242, 243, and 244 of the act of March 4, 1909, entitled "An act to codify, revise, and amend the penal laws of the United States" (35 Stat. 1088), are amended to read as follows:

"SEC. 242. It shall be unlawful for any person, firm, corporation, or association to deliver or knowingly receive for shipment, transportation, or carriage, or to ship, transport, or carry, by any means whatever, from any State, Territory, or the District of Columbia to, into, or through any other State, Territory, or the District of Columbia, or to a foreign country any wild animal or bird, or the dead body or part thereof, or the egg of any such bird imported from any foreign country contrary to any law of the United States, or captured, killed, taken, purchased, sold, or possessed contrary to any such law, or captured, killed, taken, shipped, transported, carried, purchased, sold, or possessed contrary to the law of the State, Territory, or the District of Columbia, or foreign country or State, Province, or other subdivision thereof in which it was captured, killed, taken, purchased, sold, or possessed or in which it was delivered or knowingly received for shipment, transportation, or carriage, or from which it was shipped, transported, or carried; and it shall be unlawful for any person, firm, corporation, or association to transport, bring, or convey, by any means whatever, from any foreign country into the United States any wild animal or bird, or the dead body or part thereof, or the egg of any such bird captured, killed, taken, shipped, transported, or carried contrary to the law of the foreign country or State, Province, or other subdivision thereof in which it was captured, killed, taken, delivered, or knowingly received for shipment, transportation, or carriage, or from which it was shipped, transported, or carried; and no person, firm, corporation, or association shall knowingly purchase or receive any wild animal or bird, or the dead body of part thereof, or the egg of any such bird imported from any foreign country or shipped, transported, carried, brought, or conveyed, in violation of this section; nor shall any person, firm, corporation, or association purchasing or receiving any wild animal or bird, or the dead body or part thereof, or the egg of any such bird, imported from any foreign country, or shipped, transported, or carried in interstate commerce make any false record or render any account that is false in any respect in reference thereto.

"SEC. 243. All packages or containers in which wild animals or birds, or the dead bodies or parts thereof, or the eggs of any such birds are shipped, transported, carried, brought, or conveyed, by any means whatever, from one State, Territory, or the District of Columbia to, into, or through another State, Territory, or the District of Columbia, or to or from a foreign country shall be plainly and clearly marked or labeled on the outside thereof with the names and addresses of the shipper and consignee and with an accurate statement showing by number and kind the contents thereof.

"SEC. 244. For each evasion or violation of, or failure to comply with, any provision of the three sections last preceding, any person, firm, corporation, or association, upon conviction thereof, shall be punished by a fine of not more than $1,000 or by imprisonment for not more than 6 months, or both."

SEC. 202. That any employee of the Department of Agriculture authorized by the Secretary of Agriculture to enforce the provisions of said sections 242 and 243, and any officer of the customs, shall have power to arrest any person committing a violation of any provision of said sections in his presence or view and to take such person immediately for examination or trial before an officer or court of competent jurisdiction; shall have power to execute any warrant or other process issued by an officer or court of competent jurisdiction to enforce the provisions of said sections; and shall have authority to execute any warrant to search for and seize wild animals or birds, or the dead bodies or parts thereof, or the eggs of such birds, delivered or received for shipment, transportation, or carriage, or shipped, transported, carried, brought, conveyed, purchased, or received in violation of said sections 242 and 243. Any judge of a court established under the laws of the United States or any United States commissioner may, within his jurisdiction, upon proper oath or affirmation showing probable cause, issue warrants in all such cases. Wild animals or birds, or the dead bodies or parts thereof, or the eggs of such birds, delivered or received for shipment, transportation, or carriage, or shipped, transported, carried, brought, conveyed, purchased, or received contrary to the provisions of said sections 242 and 243 shall, when found, be taken into possession and custody by any such employee or by the United States marshal or his deputy, or by any officer of the customs, and held pending disposition thereof by the court; and when so taken into possession or custody, upon conviction of the offender or upon judgment of a court of the United States that the same were delivered or received for shipment, transportation, or carriage, or were shipped, transported, carried, brought, conveyed, purchased, or received contrary to any provision of said sections 242 and 243, or were imported in violation of any law of the United States, as a part of the penalty and in addition to any fine or imprisonment imposed under aforesaid section 244, or otherwise, shall be forfeited and disposed of as directed by the court.

TITLE III—ACQUISITION OF LANDS FOR MIGRATORY BIRD REFUGES

SECTION 301. That section 6 of the Migratory Bird Conservation Act, approved February 18, 1929 (45 Stat. 1222), is amended to read as follows:

"SEC. 6. That the Secretary of Agriculture may do all things and make all expenditures necessary to secure the safe title in the United States to the areas which may be acquired under this act, but no payment shall be made for any such areas until the title thereto shall be satisfactory to the Attorney General, but the acquisition of such areas by the United States shall in no case be defeated because of rights-of-way, easements, and reservations which from their nature will in the opinion of the Secretary of Agriculture in no manner interfere with the use of the areas so encumbered for the purposes of this act; but such rights-of-way, easements, and reservations retained by the grantor or lessor from whom the United States receives title under this or any other act for the acquisition by the Secretary of Agriculture of areas for wildlife refuges shall be subject to rules and regulations prescribed by the Secretary of Agriculture for the occupation, use, operation, protection, and administration of such areas as inviolate sanctuaries for migratory birds or as refuges for wildlife; and it shall be expressed in the deed or lease that the use, occupation, and operation of such rights-of-way, easements, and reservations shall be subordinate to and subject to such rules and regulations as are set out in such deed or lease or, if deemed necessary by the Secretary of Agriculture, to such rules and regulations as may be prescribed by him from time to time."

SEC. 302. That when the public interests will be benefited thereby the Secretary of Agriculture is authorized, in his discretion, to accept on behalf of the United States title to any land which he deems chiefly valuable for wildlife refuges, and in exchange therefor to convey by deed on behalf of the United States an equal value of lands acquired by him for like purposes, or he may authorize the grantor to cut and remove from such lands an equal value of timber, hay, or other products, or to otherwise use said lands, when compatible with the protection of the wildlife thereon, the values in each case to be determined by said Secretary. Timber or other products so granted shall be cut and removed, and other uses exercised, under the laws and regulations applicable to such refuges and under the direction of the Secretary of Agriculture and under such supervision and restrictions as he may prescribe. Any lands acquired by the Secretary of Agriculture under the terms of this section shall immediately become a part of the refuge or reservation of which the lands, timber, and other products or uses given in exchange were or are a part and shall be administered under the laws and regulations applicable to such refuge or reservation.

SEC. 303. That when the public interests will be benefited thereby the Secretary of the Interior is authorized, in his discretion, to accept on behalf of the United States title to any lands which, in the opinion of the Secretary of Agriculture, are chiefly valuable for migratory bird or other wildlife refuges, and in exchange therefor may patent not to exceed an equal value of surveyed or unsurveyed, unappropriated, and unreserved nonmineral public lands of the United States in the same State, the value in each case to be determined by the Secretary of Agriculture. Before any such exchange is effected notice thereof, reciting the lands involved, shall be published once each week for 4 successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands proposed to be granted by the United States in such exchange. Lands conveyed to the United States under this section shall be held and administered by the Secretary of Agriculture under the terms of section 10 of the aforesaid Migratory Bird Conservation Act of February 18, 1929, and all the provisions of said section of said act are hereby extended to and shall be applicable to the lands so acquired.

SEC. 304. That all the provisions of section 6 of the aforesaid Migratory Bird Conservation Act, as hereby amended, relating to rights-of-way, easements, and reservations shall apply equally to exchanges effected under the provisions of this act, and in any such exchanges the value of such rights-of-way, easements, and reservations shall be considered in determining the relation of value of the lands received by the United States to that of the land conveyed by the United States.

TITLE IV—PARTICIPATION OF STATES IN REVENUE FROM CERTAIN WILDLIFE REFUGES

SECTION 401. That 25 percent of all money received during each fiscal year from the sale or other disposition of surplus wildlife, or of timber, hay, grass, or other spontaneous products of the soil, shell, sand, or gravel, and from other privileges on refuges established under the Migratory Bird Conservation Act of February 18, 1929, or under any other law, proclamation, or Executive order, administered by the Bureau of Biological Survey of the United States Department of Agriculture, shall be paid at the end of such year by the Secretary of the Treasury to the county or counties in which such refuge is situated, to be expended for the benefit of the public schools and roads in the county or counties in which such refuge is situated: *Provided*, That when any such refuge is in more than one State or Territory or county or subdivision, the distributive share to each from the proceeds of such refuge shall be proportional to its area therein: *Provided further*, That the disposition or sale of surplus animals, and products, and the grant of privileges on said wildlife refuges may be made upon such terms and conditions as the Secretary of Agriculture shall determine to be for the best interests of government or for the advancement of knowledge and the dissemination of information regarding the conservation of wildlife, including sale in the open market, exchange for animals of the same or other kinds, and gifts or loans to public or private institutions for exhibition or propagation: *And provided further*, That out of any moneys received from the grant, sale, or disposition of such animals, products, or privileges, or as a bonus upon the exchange of such animals the Secretary of Agriculture is authorized to pay any necessary expenses incurred in connection with and for the purpose of effecting the removal, grant, disposition, sale, or exchange of such animals, products, or privileges; and in all cases such expenditures shall be deducted from the gross receipts of the refuge before the Secretary of the Treasury shall distribute the 25 percent thereof to the States as hereinbefore provided.

TITLE V—ACQUISITION OF WILDLIFE REFUGES

SECTION 501. The President of the United States is hereby authorized to allocate out of moneys appropriated to him under the terms of Public Resolution No. 11, Seventy-fourth Congress, approved April 8, 1935, such sum as he may deem necessary or advisable for the acquisition by purchase, or otherwise, including the necessary expenses incidental thereto, of areas of land and water or land or water for game bird and animal refuges and for migratory bird sanctuaries and refuges, to be expended in accordance with the provisions of the said Public Resolution No. 11.

TITLE VI—TRANSFER OF WIND CAVE NATIONAL GAME PRESERVE TO THE DEPARTMENT OF THE INTERIOR

SECTION 601. That, effective July 1, 1935, the Wind Cave National Game Preserve in the State of South Dakota, be, and the same is hereby, abolished, and all the property, real or personal, comprising the same is hereby transferred to and made a part of the Wind Cave National Park and the same shall hereafter be administered by the Secretary of the Interior as a part of said park, subject to all laws and regulations applicable thereto, for the purposes expressed in the act of August 10, 1912 (37 Stat. 268–293), establishing said game preserve.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a report of the Secretary of War on H. R. 5720.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PRESIDENT ROOSEVELT ON HOME RULE UNDER THE CONSTITUTION

Mr. ANDREW of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD by inserting a national broadcast given by President Roosevelt on March 2, 1930, when he was Governor of New York.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ANDREW of Massachusetts. Mr. Speaker, I believe that the Members of this House, irrespective of party, but especially the Democratic Members who do not believe that the Constitution of the United States belongs entirely to "the horse and buggy era", will be glad to turn back the pages of history and read what President Franklin D. Roosevelt thought 5 years ago when he was Governor of the State of New York.

Under the leave to extend my remarks in the RECORD, I include, therefore, the following quotations from the reported text of his speech in defense of home rule in a coast to coast broadcast on March 2, 1930:

Governor Roosevelt said:

The proper relations between the Government of the United States and the governments of the separate States thereof depend entirely, in their legal aspects on what powers have been voluntarily ceded to the central Government by the States themselves. What these powers of government are is contained in our national Constitution, either by direct language, by judicial interpretation thereof during many years, or by implication so plain as to have been recognized by the people generally.

BELIEVES OVERCENTRALIZATION LEADS TO DISUNION

The United States Constitution has proved itself the most marvelously elastic compilation of rules of government ever written. Drawn up at a time when the population of this country was practically confined to a fringe along our Atlantic coast, combining into one Nation for the first time scattered and feeble States, newly released from the autocratic control of the English Government, its preparation involved innumerable compromises between the different Commonwealths. Fortunately for the stability of our Nation, it was already apparent that the vastness of our territory presented geographical and climatic differences which gave to the States wide differences in the nature of their industry, their agriculture, and their commerce. Already the New England States had turned toward shipping and manufacturing, while the South was devoting itself almost exclusively to the easier agriculture which a milder climate permitted. Thus, already it was clear to the framers of our Constitution that the greatest possible liberty of self-government must be given to each State, and that any national administration attempting to make all laws for the whole Nation, such as was wholly practical in Great Britain, would inevitably result at some future time in a dissolution of the Union itself.

NOTES DANGER SIGNALS FOR THE STATES

The preservation of this home rule by the States is not a cry of jealous Commonwealths seeking their own aggrandizement at the expense of sister States. It is a fundamental necessity if we are to remain a truly united country. The whole success of our democracy has not been that it is a democracy wherein the will of a bare majority of the total inhabitants is imposed upon the minority, but because it has been a democracy where, through a dividing of government into units called States, the rights and interests of the minority have been respected and have always been given a voice in the control of our affairs. This is the principle on which the little State of Rhode Island is given just as large a voice in our national Senate as the great State of New York.

The moment a mere numerical superiority by either States or voters in this country proceeds to ignore the needs and desires of the minority, and for their own selfish purposes or advancement, hamper or oppress that minority, or debar them in any way from equal privileges and equal rights—that moment will mark the failure of our constitutional system.

For this reason a proper understanding of the fundamental powers of the States is very necessary and important. There are already, I am sorry to say, danger signals flying. A lack of study and knowledge of the matter of the sovereign power of the people through State government has led us to drift insensibly toward that dangerous disregard of minority needs which marks the beginning of autocracy. Let us not forget that there can be an autocracy of special classes or commercial interests which is utterly incompatible with a real democracy whose boasted motto is, "Of the people, by the people, and for the people." Already the more thinly populated agricultural districts of the West are bitterly complaining that rich and powerful industrial interests of the East have shaped the course of government to selfish advantage.

DENOUNCES RULE BY MASTER MINDS

The doctrine of regulation and legislation by master minds, in whose judgment and will all the people may gladly and quietly acquiesce, has been too glaringly apparent at Washington during these last 10 years. Were it possible to find master minds so unselfish, so willing to decide it unhesitatingly against their own personal interests or private prejudices, men almost godlike in their ability to hold the scales of justice with an even hand—such a government might be to the interests of the country; but there are none such on our political horizon, and we cannot expect a complete reversal of all the teachings of history.

Now, to bring about government by oligarchy masquerading as democracy it is fundamentally essential that practically all authority and control be centralized in our National Government. The individual sovereignty of our States must first be destroyed, except in mere minor matters of legislation. We are safe from the danger of any such departure from the principles on which this

country was founded just so long as the individual home rule of the States is scrupulously preserved and fought for whenever they seem in danger.

STRESSES VALUE OF HOME RULE

Thus it will be seen that this home rule is a most important thing—the most vital thing—if we are to continue along the course on which we have so far progressed with such unprecedented success.

* * * * * * *

On this sure foundation of the protection of the weak against the strong, stone by stone, our entire edifice of government has been erected. As the individual is protected from possible oppression by his neighbors, so the smallest political unit, the town, is, in theory at least, allowed to manage its own affairs, secure from undue interference by the larger unit of the county, which in turn is protected from mischievous meddling by the State.

That is what we call the doctrine of "home rule", and the whole spirit and intent of the Constitution is to carry this great principle into the relations between the National Government and the government of the States.

DISPARAGES NATIONAL UNIFORMITY IN LEGISLATION

Let us remember that from the very beginning differences in climate, soil conditions, habits, and mode of living in States separated by thousands of miles rendered it necessary to give the fullest individual latitude to the individual States. Remembering that the mining States of the Rockies, the fertile savannahs of the South, the prairies of the West, and the rocky soil of the New England States created many problems, introduced many factors in each locality which have no existence in others, it is obvious that almost every new or old problem of government must be solved, if it is to be solved to the satisfaction of the people of the whole country, by each State in its own way.

LEAVE TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes tomorrow morning, immediately after the business on the Speaker's table has been disposed of.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CARMICHAEL (at the request of Mr. HILL of Alabama), on account of important business;

To Mr. COSTELLO (at the request of Mr. HILL of Alabama), on account of important business;

To Mr. STEAGALL (at the request of Mr. HILL of Alabama), on account of illness; and

To Mr. OLIVER (at the request of Mr. HILL of Alabama), on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 2512. An act to require registration of persons engaged in influencing legislation or Government contracts and activities; to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 38. An act for the relief of Winifred Meagher;

S. 279. An act to extend the time for the refunding of certain taxes erroneously collected from certain building-and-loan associations;

S. 285. An act to reimburse the estate of Mary Agnes Roden;

S. 448. An act to authorize a preliminary examination of the Coquille River and its tributaries in the State of Oregon with a view to the control of its floods;

S. 449. An act to authorize a preliminary examination of Umpqua River and its tributaries in the State of Oregon with a view to the control of its floods;

S. 462. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon;

S. 535. An act for the relief of William Cornwell and others;

S. 558. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department;

S. 654. An act authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands;

S. 742. An act for the relief of Charles A. Lewis;

S. 905. An act for the relief of Edith N. Lindquist;

S. 931. An act for the relief of the Concrete Engineering Co.;

S. 1027. An act for the relief of Dr. R. N. Harwood;

S. 1038. An act authorizing adjustment of the claim of Elda Geer;

S. 1212. An act to amend section 1383 of the Revised Statutes of the United States;

S. 1317. An act authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods;

S. 1386. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Duke E. Stubbs and Elizabeth S. Stubbs, both of McKinley Park, Alaska;

S. 1469. An act to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona;

S. 1487. An act for the relief of Mick C. Cooper;

S. 1513. An act to add certain lands to the Siskiyou National Forest in the State of Oregon;

S. 1539. An act relating to undelivered parcels of the first class;

S. 1609. An act for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps;

S. 1712. An act to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries;

S. 1942. An act to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927;

S. 2146. An act for the relief of certain Indians of the Flathead Reservation killed or injured en route to dedication ceremonies of the Going-to-the-Sun Highway, Glacier National Park;

S. 2241. An act to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484);

S. 2467. An act for the retirement of William J. Stannard, leader of the United States Army Band;

S. 2505. An act authorizing a preliminary examination of Sebewaing River, in Huron County, Mich., with a view to the controlling of floods;

S. 2530. An act to protect American and Philippine labor and to preserve an essential industry, and for other purposes;

S. 2899. An act to provide for increasing the limit of cost for the construction and equipment of an annex to the Library of Congress; and

S. J. Res. 130. Joint resolution making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian-reservation roads.

ADJOURNMENT

On motion of Mr. TAYLOR of Colorado (at 3 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Thursday, June 6, 1935, at 12 o'clock noon.

COMMITTEE MEETING

SUBCOMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Will hold hearings on H. R. 3263 and other railroad legislation at 10 o'clock Thursday morning, June 6, 1935, in the committee room of Coinage, Weights, and Measures, 115 old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, Executive communications were taken from the Speaker's table and referred as follows:

375. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Labor for the fiscal year 1936, amounting to $600,000 (H. Doc. No. 216); to the Committee on Appropriations, and ordered to be printed.

376. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the District of Columbia for the fiscal year 1936, in the amount of $3,000, for the maintenance of isolating wards for minor contagious diseases at Garfield Memorial Hospital (H. Doc. No. 217); to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 6768. A bill to authorize the Secretary of War to lend War Department equipment for use at the Seventeenth National Convention of the American Legion at St. Louis, Mo., during the month of September 1935; without amendment (Rept. No. 1099). Referred to the Committee of the Whole House on the state of the Union.

Mr. SCHULTE: Committee on Immigration and Naturalization. House Joint Resolution 236. Joint resolution to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico, to suspend issuance of all nonpreference quota immigration visas, and for other purposes; without amendment (Rept. No. 1100). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on the Public Lands. H. R. 8289. A bill to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, and 226), as amended; without amendment (Rept. No. 1101). Referred to the Committee of the Whole House on the state of the Union.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 8026. A bill to establish and promote the use of standards of classification for tobacco, to provide and maintain an official tobacco inspection service, and for other purposes; without amendment (Rept. No. 1102). Referred to the Committee of the Whole House on the state of the Union.

Mrs. GREENWAY: Committee on the Public Lands. House Joint Resolution 276. Joint resolution authorizing the State of Arizona to transfer to the town of Benson without cost title to section 16, township 17 south, range 20 east, Gila and Salt River meridian, for school and park purposes; without amendment (Rept. No. 1103). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 1420. A bill to provide for the acquisition of the Andrew Johnson Homestead, Greenville, Tenn., as a national shrine; with amendment (Rept. No. 1105). Referred to the Committee of the Whole House on the state of the Union.

Mr. KING: Committee on Immigration and Naturalization. H. R. 7975. A bill to permit alien wives of American citizens who were married prior to the approval of the Immigration Act of 1924 to enter the United States; without amendment (Rept. No. 1106). Referred to the Committee of the Whole House on the state of the Union.

Mr. COX: Committee on Rules. House Resolution 240. Resolution for the consideration of S. 1432; without amendment (Rept. No. 1108). Referred to the House Calendar.

Mr. BLACKNEY: Committee on Public Buildings and Grounds. H. R. 7875. A bill to provide for the transfer of certain land in the city of Charlotte, Mich., to such city; without amendment (Rept. No. 1109). Referred to the Committee of the Whole House on the state of the Union.

Mr. KERR: Committee on Immigration and Naturalization. H. R. 8163. A bill to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes; without amendment (Rept. No. 1110). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STUBBS: Committee on the Public Lands. H. R. 7671. A bill to direct the Secretary of the Interior to convey title to certain lands in California to the heirs of George P. Eddy; without amendment (Rept. No. 1104). Referred to the Committee of the Whole House.

Mr. PLUMLEY: Committee on Military Affairs. H. R. 5325. A bill for the relief of Ira L. Reeves; without amendment (Rept. No. 1111). Referred to the Committee of the Whole House.

Mr. COLLINS: Committee on Military Affairs. H. R. 5516. A bill authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased; without amendment (Rept. No. 1112). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 8220) for the relief of Helen Mahar Johnson, and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 8360) to promote the general welfare of the Indians of the United States, and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H. R. 8361) to promote the general welfare of the Indians of the United States of America, and for other purposes; to the Committee on Indian Affairs.

By Mr. CANNON of Missouri: A bill (H. R. 8362) to amend the Packers and Stockyards Act; to the Committee on Agriculture.

By Mr. DOCKWEILER: A bill (H. R. 8363) to exempt from taxation receipts from the operation of Olympic Games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles; to the Committee on Ways and Means.

By Mr. DRIVER: A bill (H. R. 8364) to amend section 4 of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. MARCANTONIO: A bill (H. R. 8365) to provide for the immediate payment to World War veterans of the World War adjusted-service certificates, providing an authorization for an appropriation of $2,265,000,000, and to extend the period for filing applications for rights under the World War Adjusted Compensation Act, and for other purposes; to the Committee on Ways and Means.

By Mr. RANKIN (by request): A bill (H. R. 8366) for the benefit of widows and children of any deceased person who served in the World War before November 12, 1918, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. MARTIN of Massachusetts: A bill (H. R. 8367) to amend the Silver Purchase Act of 1934; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas: A bill (H. R. 8368) to enforce the twenty-first amendment; to the Committee on the Judiciary.

By Mr. MAAS: A bill (H. R. 8369) relating to laborers in the Railway Mail Service and motor-vehicle employees of the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. REILLY: A bill (H. R. 8370) to provide for the establishment of a Coast Guard station at Port Washington, Wis.; to the Committee on Merchant Marine and Fisheries.

By Mr. KELLER: A bill (H. R. 8371) to promote safety and efficiency in the national transportation system through a retirement system for railroads engaged in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WILCOX: A bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon; to the Committee on Naval Affairs.

By Mr. SMITH of Washington: Resolution (H. Res. 241) for the consideration of H. R. 6995; to the Committee on Rules.

By Mr. MAAS: Joint resolution (H. J. Res. 309) extending the effective period of the Emergency Railroad Transportation Act, 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. CROSSER of Ohio: Joint resolution (H. J. Res. 310) to provide for the payment of compensation and expenses of the Railroad Retirement Board as established and operated pursuant to section 9 of the Railroad Retirement Act of June 27, 1934, and to provide for the winding up of its affairs and the disposition of its property and records, and to make an appropriation for such purposes; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Pennsylvania, regarding the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, regarding the use of granite in public buildings; to the Committee on Public Buildings and Grounds.

Also, memorial of the Legislature of the Commonwealth of Massachusetts regarding the watch industry and persons employed therein; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEAM: A bill (H. R. 8373) for the relief of James Fitzgerald; to the Committee on Claims.

By Mr. BEITER: A bill (H. R. 8374) granting an increase of pension to Sarah Wilcox; to the Committee on Invalid Pensions.

By Mr. BURNHAM: A bill (H. R. 8375) for the relief of Mearon Perkins; to the Committee on Claims.

By Mr. CARTER: A bill (H. R. 8376) for the relief of Katheryn S. Anderson; to the Committee on Claims.

By Mr. FLETCHER: A bill (H. R. 8377) granting a pension to Linford E. Dinkle; to the Committee on Pensions.

By Mr. KERR: A bill (H. R. 8378) to authorize a preliminary examination to be made of the Contentnea Creek, in the State of North Carolina, with a view to the control of floods; to the Committee on Flood Control.

By Mr. LUDLOW: A bill (H. R. 8379) granting an increase of pension to Catherine J. Robertson; to the Committee on Invalid Pensions.

By Mr. TURNER: A bill (H. R. 8380) for the relief of Thomas J. Jackson; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8728. By Mr. ANDREW of Massachusetts: Petition of the General Court of Massachusetts, memorializing Congress relative to the use of granite in the construction of public buildings; to the Committee on Public Buildings and Grounds.

8729. Also, petition of the General Court of Massachusetts, urging Congress to increase the tariff on watch movements, and to aid the watch industry and persons employed therein; to the Committee on Ways and Means.

8730. By Mr. DRISCOLL: Petition of citizens of Oil City, Pa., favoring continuous operation of the tobacco industry under National Recovery Act codes; to the Committee on Ways and Means.

8731. By Mr. FORD of California: Resolution of the United Spanish War Veterans of the Department of California, memorializing the Congress of the United States to pass House bill 6995 and thus restore the pensions which were taken away from many Spanish-American War veterans who are now aging and physically unable to overcome the economic difficulties of today; to the Committee on Pensions.

8732. By Mr. HIGGINS of Massachusetts: Resolution memorializing the President and Congress of the United States in behalf of the watch industry; to the Committee on Ways and Means.

8733. Also, resolutions memorializing Congress relative to the use of granite in the construction of all public buildings; to the Committee on Public Buildings and Grounds.

8734. By Mr. KRAMER: Joint resolution of the California Assembly urging Congress to furnish aid in the construction of check dams in the Salinas River Valley; to the Committee on Rivers and Harbors.

8735. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging the use of granite in construction of public buildings; to the Committee on Public Buildings and Grounds.

8735a. Also, memorial of the General Court of Massachusetts, urging the Government of the United States, in negotiating a reciprocal treaty with Switzerland, to refrain from reducing the tariff on watch movements; to the Committee on Ways and Means.

8736. By Mr. MERRITT of New York: Petition of Edwin R. Dobbin, director and representative for northern district, Utilities Employees Securities Co., Ithaca, N. Y., and 6,844 employee holders, protesting against the passage of the bill known as the "Public Utility Holding Company Act of 1935", and urging Congress to defeat same; to the Committee on Interstate and Foreign Commerce.

8737. Also, petition of the Ithaca Chamber of Commerce, protesting against the enactment of the Public Utility Act of 1935, and calling upon Congress to defeat same; to the Committee on Interstate and Foreign Commerce.

8738. By the SPEAKER: Petition of the Oakland Lodge, No. 802, Brotherhood of Railway and Steamship Clerks; to the Committee on the Judiciary.

SENATE

THURSDAY, JUNE 6, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, June 5, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 927. An act to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United